

Stock Code: 2239



Cayman Engley Industrial Co., Ltd.

2021 Annual Report

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This annual report is available at <http://mops.twse.com.tw>

Company Websites: <http://www.engley.com>

1. Spokesperson and acting spokesperson (names, titles and contact information):

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Title: Deputy Manager

Mobile: 0966-012239

E-mail: spokesman@engley.net

Acting Spokesperson

Name: Huang, Sheng-Wen

Title: Financial Manager

Tel: (04)7284956

E-mail: spokesman@engley.net

2. Responsible person for litigation and non-litigation (name, title and contact information):

Name: Tsai, Chi-Chung

Title: Director

Tel: (04)7515511

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3. Contact information of the head office, branch offices and factories

3.1 Head office

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3.2. Subsidiaries and branch offices

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Subsidiary: Changchun Engley Automobile Industry Co., Ltd.	
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Subsidiary: Changchun Engley Auto Parts Co., Ltd.	
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Website: http://www.engley.com	Tel: (86)-431-85022771
Subsidiary: Chengdu Engley Auto Parts Co., Ltd.	
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Website: http://www.engley.com	Tel: (86)-28-65080999
Branch office: Chengdu Engley Auto Parts Co., Ltd. Baoji Branch	
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Subsidiary: Liaoning Engley Auto Part Co., Ltd.	
Address: Yilu Industrial Park, Xintaizi Town, Tieling County, Tieling, Liaoning	
Website: http://www.engley.com	Tel: (86)-24-78756475
Subsidiary: Foshan Engley Auto Part Co., Ltd.	
Address: No.15-1, Dongyang 3 rd Road, Huanan Hardware Industry Base, Danzao Town, Nanhai Area, Foshan, Guangdong	
Website: http://www.engley.com	Tel: (86)-757-81092779
Subsidiary: Tianjin Engley Manufacturing Co., Ltd.	

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Website: http://www.engley.com	Tel: (86)-22-59281019
Subsidiary: Changchun Lightweight Technology Co., Ltd.	
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Website: http://www.engley.com	Tel: (86)-431-81055836
Subsidiary: Changsha Engley Auto Part Co., Ltd.	
Address: No 9, Qingyuan Road, Langli Industrial Park, Changsha County, Changsha, Hunan	
Website: http://www.engley.com	Tel: (86)-731-86809663
Subsidiary: Suzhou Engley Auto Part Co., Ltd.	
Address: No.32, Taizhong Road, Yuewang yuezhen Village, Shaxi Town, Taicang City, Suzhou, Jiangsu	
Website: http://www.engley.com	Tel: (86)-512-53307777
Branch office: Suzhou Engley Auto Part Co., Ltd. Ningbo Branch	
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Website: http://www.engley.com	Tel: (86)-574-22228935
Branch office: Suzhou Engley Auto Part Co., Ltd. Zhengzhou Branch	
Address: Beijingyi Road West, Wanhong Road, Automobile Industrial Park, Zhongmu County, Zhengzhou, Henan	
Website: http://www.engley.com	Tel: (86)-512-53307777
Subsidiary: Tsingtao Engley Auto Part Co., Ltd.	
Address: North of Dazhong 1 st Road and West of Yingliu Road, New Automobile Industrial City, Qingdao, Shandong	
Website: http://www.engley.com	Tel: (86)-532-85052015
Subsidiary: Linde+Engley (Changchun) Auto Parts Co., Ltd.	
Address: No.888, Jinghe Street, Economic Development Area, Gongzhuling, Jilin	
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Subsidiary: Linde+Engley (Tianjin) Auto Parts Co., Ltd.	
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Website: http://www.engley.com	Tel: (86)-22-59952511
Branch office: Linde+Engley (Tianjin) Auto Parts Co., Ltd. Chongqing Branch	
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Website: http://www.engley.com	Tel: (86)-22-59952511
Subsidiary: Ningbo Maoxiang Material Co., Ltd. (China)	
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Website: http://www.engley.com	Tel: (86)-576-80270890
Branch office: Ningbo Maoxiang Material Co., Ltd. Xiaoshan Branch	
Address: A4 East-No.3, 1 st and 2 nd Nong Factories, Hi-Tech Industrial Park, Linjiang, Xiaoshan, Zhejiang	
Website: http://www.engley.com	Tel: (86)-576-80270890
Subsidiary: Taizhou Maoqi Metal Co., Ltd. (China)	
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Website: http://www.engley.com	Tel: (886)-04-7284956
Subsidiary: Engley Precision Industry B.V.	
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Website: http://www.engley.com	Tel: (886)-04-7284956
Subsidiary: Kranendonk Beheersmaatschappij B.V.	
Address: Biezenwei 14 P.O. Box 6147, NL-4000 HC Tiel, the Netherlands.	
Website: http://www.kranendonk.com	Tel: (31)-344-623944
Subsidiary: Ningbo Engley Automobile Industry Co.,Ltd	
Address: No.209, Xingci 1 st Road, New Area, Hangzhou Wan, Ningbo, Zhejiang	
Website: http://www.engley.com	Tel: (86)-0574-82355500
Subsidiary:Wiser Decision Holding Company Limited	
Address: 8F., No. 349, Sec. 2, Zhongshan Rd., Changhua City, Changhua County	
Website: http://www.engley.com	Tel: (886)-04-7284956
Subsidiary: Hefei Engley Auto Parts Co., Ltd.	
Address: Northeast of the intersection of Xiapaihe Road and Fulian Road, Xingang South District, Feixi County Economic Development Zone, Hefei City, Anhui Province	
Website: http://www.engley.com	Tel: Applying

4. Stock Transfer Agency (Name, Address, Website and Telephone number):

Name: Departmet of Transfer Agency Service, Website: www.sinotrade.com.tw
SinoPac Securities Corporation
Address: 3F, No.17, Bo'ai Road, Taipei City Tel: (02)2381-6288

5. Contact Information of the certified public accountant (CPA) for the latest financial report

Name : LIU, MEI-LAN Website: www.pwc.com.tw
Hsu,Chien-Yeh
Firm: PricewaterhouseCoopers Taiwan Tel: (04)2704-9168
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6. Name of the stock exchange where company's listed overseas securities are traded and the access to information on such listed overseas securities: N/A.

7. Board members

Title	Name	Nationality/Place of Registration	Experience and Education
Chairman	Honghan Industrial Co.,Ltd.	Samoa	Chairman, Changchun Engley Automobile Industry Co., Ltd.
	Representative: Lin, Chi-Pin	R.O.C	Ta Hwa University of Science and Technology
Director	BroadLight Consultants Ltd.	Samoa	Deputy General Manager, Changchun Engley Automobile Industry Co., Ltd.
	Representative: Lin, Chun-Pang	R.O.C	Food Engineering, Da Yeh University
Director	Top-Gain Enterprises Ltd.	Samoa	Ta Hwa University of Science and Technology
	Representative: Chen, Jung-Juan	R.O.C	Director, Suzhou Engley Auto Part Co., Ltd.
Director	Tsai, Meng-Han	R.O.C	Master of Laws, University of Southern California SKB Law Firm Supervisor of Zhan Yuan Investment Co., Ltd.
Independent	Yeh, Chih-Ming	R.O.C	PHD, University of Chinese

Director			Academy of Sciences Director,CVC Technologies, Inc.
Independent Director	Liou, Cheng-Hwai	R.O.C	Doctor of Business Administration, National Taipei University Independent Director, HOTA INDUSTRIAL MFG. CO., LTD.
Independent Director	Hsu, Ching-Tao	R.O.C	Bachelor of Accounting, Feng Chia University Independent Director, EXCEL CELL ELECTRONIC CO., LTD.

8. Company Website: <http://www.engley.com>

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I. Letter to Shareholders

Dear Shareholders,

Thank you for taking your time to participate in the 2022 annual shareholders meeting of the Cayman Engley Industrial Co., Ltd.. I am pleased to report the operating performance and future development plan in 2021.

A. 2021 Business Results

According to the statistical analysis of the China Association of Automobile Manufacturers, automobile production and sales in 2021 will show a year-on-year increase, ending the three consecutive years of decline since 2018. Among them, new energy vehicles have become the biggest bright spot. The annual sales volume exceeded 3.5 million, and the market share increased to 13.4%, which further shows that the new energy vehicle market has shifted from policy-driven to market-driven. The sales volume of passenger cars in China in 2021 was 20,146,000 units, which was increased by 4.4% if compared with that of 2020. The Company has successfully undertaken the new energy vehicle projects of Volvo and FAW Volkswagen in recent years. In the future, it will continue to actively expand cooperation with other joint venture brands such as Geely Automobile, Great Wall Motors, etc., and the China's self-owned brands. The 2021 revenue and expenditure, profitability analysis and report on future development strategy are as follows:

1. Analysis of financial revenue and expenditure and profitability

Unit: NT\$ 1,000; %					
Year		2020	2021	Increase (decrease) of %	
Item					
Financial Analysis	Operating Revenue		21,644,152	20,277,213	(6.32)
	Operating Margin		3,456,702	2,999,052	(13.24)
	Net Profit After Tax		480,621	665,268	38.42
Profitability	Return on assets (%)		3.29	3.48	5.78
	Return on equity (%)		6.22	6.87	10.45
	Of paid-in capital ratio (%)	Operating profit	107.54	57.29	(46.73)
		Pre-tax net profit	84.63	98.52	16.41
	Net profit rate (%)		3.81	4.84	27.03
	Earnings per share (NT\$)		4.07	5.64	38.57
	Diluted EPS (after tax) (NT\$)		4.03	5.54	37.47

Note: The consolidated financial statement signed and audited by CPAs, is prepared in accordance with the International Financial Reporting Standards.

2. Status of budget execution:

The company has not disclosed its full-year financial forecast in 2021, so it is not applicable

3. Research and development

Along with lightweight trends in the automotive industry, the Company continues to improve the manufacturing processes of high-strength steel by use of rolling technology and heat treatment, and aluminum alloy products. The Company also engages itself in development of auto parts made out of new composite materials.

The Company keeps increasing the level of automation, improving back-end automated detection technology, ensuring metalwork accuracy and a higher product yield. In response to customers' requests, the Company endeavors to develop modular products to produce better quality products and provide better services.

B. Overview of the 2022 Business Plan

1. Operating Principle

The Group launched a tactical plan to arrange production bases few years ago. Up to now, the Company has set up production bases in Changchun, Chengdu, Tianjin, Foshan, Suzhou, Changsha, Yizheng, Qingdao, and Ningbo, and established production network in South China, Central China, North China, East China and North East China to reduce delivery distance from suppliers to automakers, and speed up response time requested by automakers. Through modernized management, the Group has brought together upstream and downstream resources, and introduced advanced automated equipment to build strong capabilities for production of quality car parts and pursue the goal of environment protection. With top quality detection devices, the Company commits itself to ensure consistent quality and meet the objectives of standardized, modularized and eco-friendly and lightweight products. Following the development path of automakers, the Company aims to satisfy diverse needs of all customers. The Group will explore new areas of research and development and make the best efforts to develop electric appliances and electric cars in order to further diversify our products.

2. Sales projection with its calculation basis and important production and marketing policies

The Company sets annual sales targets based on the overall industry environment, customers' needs of products and capacity, supply and demand in the market and competitive conditions. In addition to identifying potential customers, the Company actively prepares itself to enter into the electric-vehicle market in alignment with its business plans and offer products with high added value for the upcoming new era of green vehicle.

C. Strategies for Future Development

1. Equipment upgrade plan

The company will comprehensively enhance the traditional and automated product lines of auto parts. From the perspective of technology and market promotion, around the relevant fields of the company's main products. Fully upgrade the company's manufacturing equipment, further expand the company's auto parts production scale, and meet the rapidly growing market demand.

2. Overview of research and development

Along with lightweight trends in the automotive industry, the Company continues to improve

the manufacturing processes of high-strength steel by use of rolling technology and heat treatment, and aluminum alloy products. The Company also engages itself in development of auto parts made out of new composite materials. The Company keeps increasing the level of automation, improving back-end automated detection technology, ensuring metalwork accuracy and a higher product yield. In response to customers' requests, the Company endeavors to develop modular products to produce better quality products and provide better services.

3. Development of business

The company will continue to follow the footsteps of the OEMs. In addition to maintaining existing customer relationships, we will also cooperate with China's major cities to purchase automobile and government-related electric vehicle subsidy policies. At the same time, we will actively plan to enter the new energy vehicle market and expand new product projects with a view to preempting them. We have successfully received new energy vehicle projects from Volvo and FAW Volkswagen to help introduce operational energy to the Company's operations. In the future, we will engage with other brands of automobile manufacturers to discuss related cooperation matters, and look forward to providing aluminum and plastic products related to new energy vehicles.

D. Impact of external competitive environment, regulatory environment and overall business environment

2022 will enter the second year of China's 14th Five-Year Plan and it will be driven by the "New Energy Automobile Industry Development Plan (2021-2025)", electrification, intelligence, connectivity and digitization will accelerate the transformation and upgrading of the automobile industry, and the new energy vehicle market will also shift from policy-driven to market-driven change. Many research institutes in China predicted that the economic growth in China may remain 7.5% in 2021. Despite low Consumer Price Index in China, consumers tend to decrease unnecessary consumption with lower consumer confidence when GDP growth rate is not as high as before. Given that the growth rate in the base year is high, it can be assumed that the rapid expansion stage of the automotive industry in China may end, and the market gradually moves into the stage of stable development. However, China's macroeconomic regulation and control is still in favor of development of car manufacturers and upstream auto part firms because macro-control emphasizes continuity and stability of economic policies, which benefits large-scale firms with promising long-term effect.

Chairman: Lin, Chi-Pin

General Manager: Lin, Chi-Pin

Accounting Supervisor: Huang, Sheng-Wen

II. Company Profile

A. Date of incorporation and an introduction to the company and business group

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. (hereinafter referred to as the “Company”) was established in the Cayman Islands on 16 January 2015 with its shares issued at par value of NTD\$ 10 per stock. In the same year CEIC acquired 100% of the shares of Changchun Engleigh Automobile Industry Co., Ltd. through a stock swap. In December 2015, CEIC was approved to be listed by the Taiwan Stock Exchange Corporation, and its shares were officially listed on January 27 2016. Until the date of printing the annual report, CEIC had more than a decade’s experience in manufacturing auto parts, with business areas operating in eight provinces and cities, including Jilin, Liaoning, Tianjin, Jiangsu, Zhejiang, Sichuan, Hunan, Shandong, Guangxi, Shaanxi, Henan and Guangdong.

The Company and its subsidiaries are hereinafter collectively referred to as the “Group”. These subsidiaries include Engleigh Automobile Industry Co., Ltd. (Taiwan Engleigh), Changchun Engleigh Automobile Industry Co., Ltd. (Engleigh Industry), Changchun Engleigh Auto Parts Co., Ltd. (Engleigh Parts), Suzhou Engleigh Auto Part Co., Ltd. (Suzhou Engleigh), Chengdu Engleigh Auto part Co., Ltd. (Chengdu Engleigh), Yizheng Engleigh Auto Part Co., Ltd. (Yizheng Engleigh), Liaoning Engleigh Auto Part Co., Ltd. (Liaoning Engleigh), Foshan Engleigh Auto Part Co., Ltd. (Foshan Engleigh), Tianjin Engleigh Manufacturing Co., Ltd. (Tianjin Engleigh), Changchun Lightweight Technology Co., Ltd. (Lightweight), Changsha Engleigh Auto Part Co., Ltd. (Changsha Engleigh), Tsingtao Engleigh Auto Part Co., Ltd. (Tsingtao Engleigh), Linde+Engleigh (Changchun) Auto Parts Co., Ltd. (Linde Changchun), Linde+Engleigh (Tianjin) Auto Parts Co., Ltd. (Linde Tianjin), Ningbo Maoxiang Material Co., Ltd. (Ningbo Maoxiang), Taizhou Maoqi Metal Co., Ltd. (Taizhou Maoqi), Ningbo Engleigh Automobile Industry Co., Ltd. (Ningbo Engleigh), Engleigh Holding (Samoa) Limited (Samoa Engleigh), Engleigh Precision Industry B.V. (the Netherlands Engleigh), Kranendonk Beheersmaatschappij B.V. (Company K), Wiser Decision Holding Company Limited (Company W) and Hefei Engleigh Auto Parts Co., Ltd. (Company Hefei).

The primary product line of the Group involves metal auto parts, non-metal auto parts, modules and others. With sophisticated manufacturing skills and outstanding capabilities of product development, the Group has been supplying exceptional quality products for OEM plants in China, including Benz, Audi, VW, GM Auto, Jaguar, Land Rover, BMW and Volvo.

B. A brief history of the Company and the Group

Year	Milestone
1991	Founded as a seatbelt manufacturer in Harbin
2001	Founded Engleigh Parts. The Harbin factory moved to Changchun and its primary products were automotive parts
2003	Expanded the product range into components made by long fiberglass hot-pressing
2004	Successfully launched the first GMT underbody shield in China
2005	Successfully launched the first LFT-D under body shield, LFT-G front end and GMT front end in China.
2006	1. Founded Changchun Chengtai Auto Parts Co., Ltd. in December (currently renamed to Engleigh Industry). 2. Successfully launched the first metal cockpit carrier
2008	1. As the first firm, who localized rolling door sills and metal in-mould front end, it also designed and launched an AI module of front end jointly with Shenyang Jinbei 2. Founded Suzhou Engleigh in February
2009	1. Engagement in the process of localizing OEM plants in China or

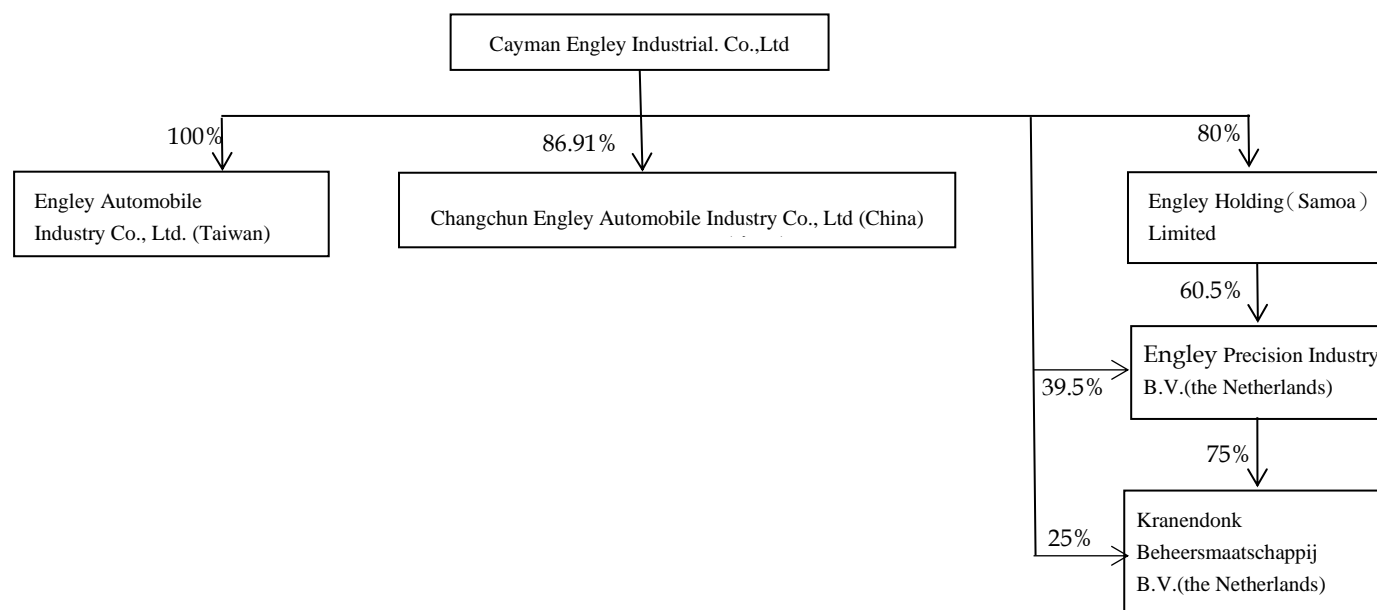
Year	Milestone
	<p>independent R&D activities in relation to hot-pressing products, for example non-metal front end, underbody shield, battery tray, spare wheel pan, door module and so on</p> <p>2. In September a joint venture agreement was made with ALCAN (a member of Fortune Global 500) to establish Jialu Engley Automotive Structure Co., Ltd. (the predecessor of Constellium Engley Automotive Structures Co., Ltd.)</p> <p>3. Founded Chengdu Engley in November</p>
2010	The first firm SYMALITE localized lightweight material under body shield and aluminum alloy metal cockpit carrier
2011	<p>1. Founded Yizheng Engley in May</p> <p>2. Founded Liaoning Engley in August</p> <p>3. A joint venture agreement was made with world-famous German supplier of rolling parts Linde+Wiemann GmbH KG (Linde Wiemann)</p> <p>4. Built a new product design team</p>
2012	<p>1. Founded Foshan Engley in April</p> <p>2. Founded Tianjin Engley in September</p> <p>3. With German Linde+Wiemann GmbH KG (Linde Wiemann) jointly established Linde+Engley (Changchun) Auto Parts Co. Ltd. in September, of which Changsha Engley held 51% of shares in order to expand high-strength steel plate rolling and laser welding business</p>
2013	<p>1. Established Linde+Engley (Tianjin) Auto Parts Co. Ltd., jointly with German Linde+Wiemann GmbH KG (Linde Wiemann) in February</p> <p>2. Founded Lightweight in September</p> <p>3. Gained strategic investment from German Linde+Wiemann GmbH KG (Linde Wiemann) and Far East Horizon Ltd. (ticker number: 3360.HK, currently investing in the Group through Hong Ying Investment Development Ltd.)</p> <p>4. The Board of Directors approved a joint venture with China Steel Corporation, Changyee Steel Co. Ltd., KS TERMINALS Co., Ltd., to establish Honley Auto. Parts Co., Ltd., of which the Group held 40% of shares.</p>
2014	<p>1. Founded Changsha Engley in May</p> <p>2. Jointly established Honley Auto. Parts Co., Ltd. in October.</p>
2015	<p>1. Founded Changchun Engley (its full name: Cayman Engley Industrial Co., Ltd.) in the Cayman Islands in January, which was intended to be listed in Taiwan.</p> <p>2. A new supply agreement for new items was made with Volvo in April</p> <p>3. Approved to be publicly traded on the TPEX^[1] in August, and completed public listing on the TPEX on September 15</p> <p>4. Approved to be listed on the Taiwan Stock Exchange by the Board of Directors of TWSE in December</p>
2016	<p>1. Completed public listing on the TWSE on January 27</p> <p>2. Founded Tsingtao Engley in April</p> <p>3. Founded Engley Automobile Industry Co., Ltd (Taiwan) in September</p> <p>4. Founded Samoa Engley in October</p> <p>5. Acquired Ningbo Maoxiang and Taizhou Maoqi in December</p>
2017	<p>1. Founded the Netherlands Engley in January</p> <p>2. Jointly acquired Kranendonk Beheersmaatschappij B.V. in February</p>

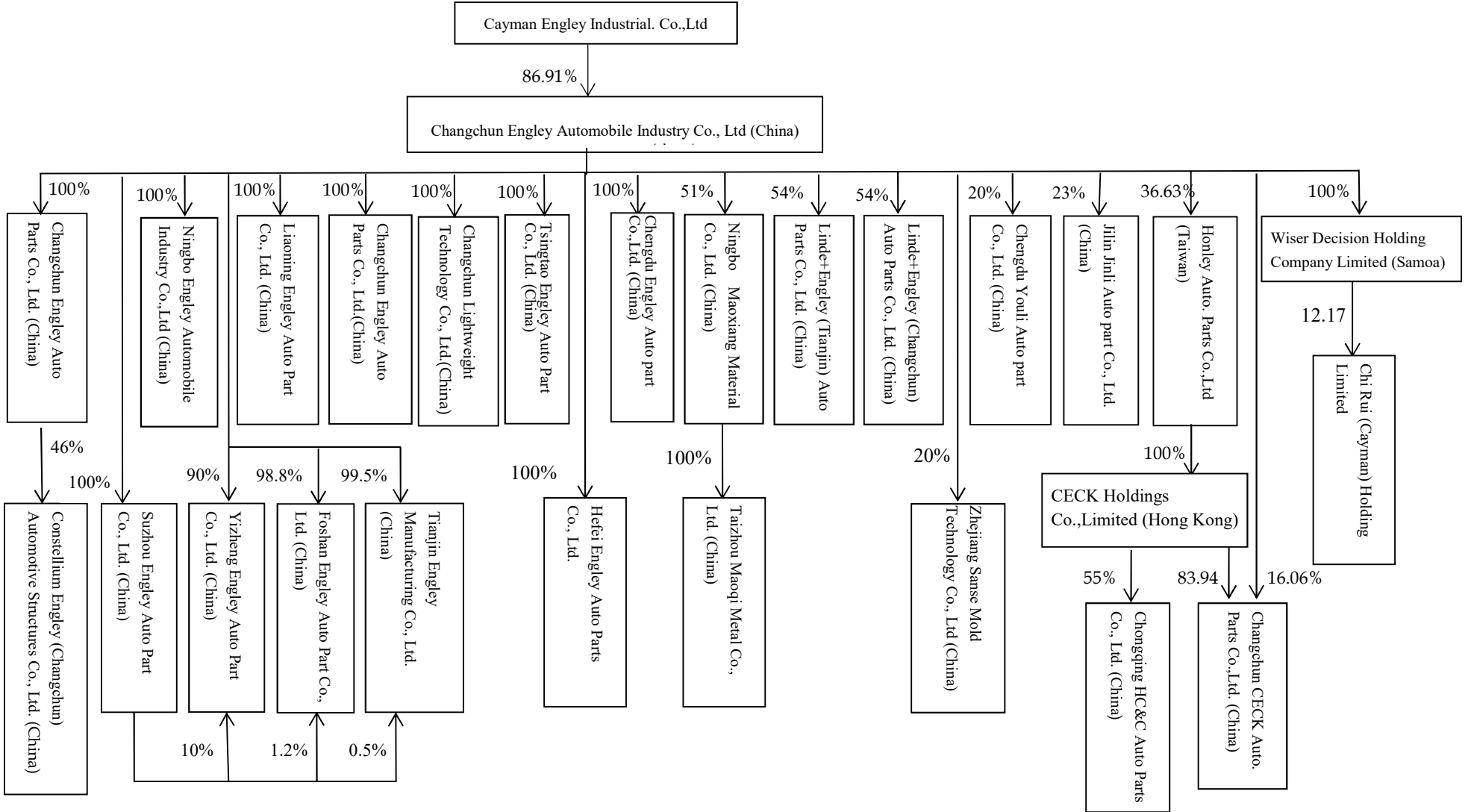
Year	Milestone
	3. Invested in Zhejiang Sanse in March
2019	1. Founded the Ningbo Engley Automobile Industry Co.,Ltd in January 2. Founded the Wiser Decision Holding Company Limited in May
2021	Engley Industry public listing on the Shanghai Stock Exchange in April
2022	Founded the Hefei Engley Auto Parts Co., Ltd.

In the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, any events affecting significantly shareholders' equity should be disclosed, including but not limited to merger and acquisition activities; strategic investments in affiliated enterprises; corporate reorganization; transfer or exchange of a majority stake by directors, supervisors, or shareholders with more than 10% of shares; any change of ownership, and any material changes of operational methods and business types: None

C. Structure of the Group

The Group's structure (as of March 31 2022)

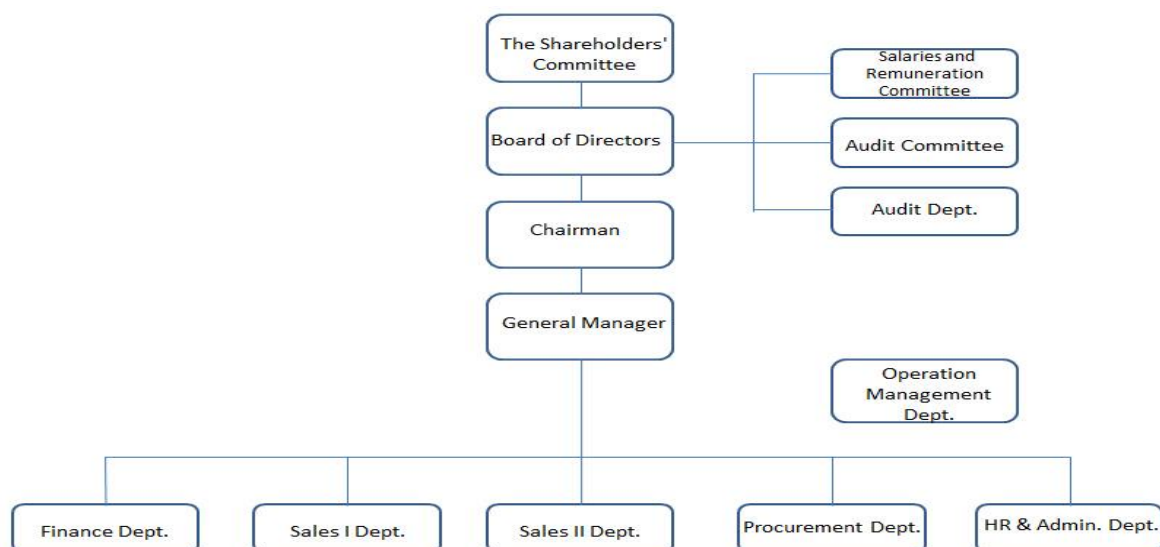




III. Corporate Governance Report

A. Organizational System

1. Organizational chart



2. Department functions

Department	Functions
The Board of Directors	Determining operational plans and strategic orientation for the Company's business operation and organizational management.
Audit Committee	Reviewing the Group's business statuses and financial conditions, fair presentation of financial statements and effective implementation of internal control systems.
Remuneration Committee	Setting and periodically reviewing policies, systems, criteria and programs on evaluation of its directors' and managers' performances, as well as regularly evaluating and determining their compensation.
Audit Department	Establishing every auditing function for the Group; evaluation and execution of internal control regimes within the Group as well as supervising its execution, and submission of recommendations for improvements as well as follow-up on progress.
General Manager	Executing Directors' resolutions and manage business related matters.
Operation Management Department	Analysis of all companies' business activities within the Group with recommendations, handling matters assigned by the General Manager, and organizing board meetings and shareholders' meetings as well as facilitate such meetings.
Finance Department	Responsible for relevant accounting matters, developing and executing accounting policies and supervising financial conditions of all subsidiaries.
Sales Department I	Planning business strategies and future orientation on customer service and market development
Sales Department II	Other than customers of the Sales I Department, assisting development of other customers' OEM business and customer service.
Procurement Department	Procuring materials and equipment required for manufacturing and production and coordinate procurement strategies with market prices
HR & Administration Department	Responsible for administrative matters in relation to human resource management.

B. Information on the company's directors, supervisors, general manager, deputy general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

1. Directors

(1) Name, education (experience), current shareholding and positions of each board director

As of 26 April 2022 Unit: 1,000 shares

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse&Minor Shareholding		Shareholding in the name of others		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Samoa	Honghan Industrial Co., Ltd.	—	2021.08.23	3	2015.06.15	26,100	23.72%	26,100	22.09%	—	—	—	—	Ta Hwa University of Science and Technology	1.Chairman, Changchun Engley Automobile Industry Co., Ltd. 2.Chairman, Changchun Engley Auto Parts Co., Ltd. 3.Executive Director, Foshan Engley Auto Part Co., Ltd. 4.Executive Director, Tianjin Engley Manufacturing Co., Ltd. 5.Vice Chairman, Constellium Engley (Changchun) Automotive Structures Co., Ltd. 6.Chairman, Changchun CECK Auto. Parts Co.,Ltd. 7.Executive Director&General Manager, Changchun Hongyun Cloud Computing Technology 8.Chairman, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 9.Director, Honghan Industrial Co., Ltd. ∙ Bright Success Inc. ∙ BroadLight Consultants Ltd. ∙ Top-Gain Enterprises Ltd. ∙ Able Well International Limited ∙ Able Gain Investment Limited ∙ Double Luck Investment Limited ∙ Superb Goal Ventures Limited ∙ Jade Profit Company Limited ∙ Wise Faith Holding Limited ∙ Ever Honest Consultant Ltd. ∙ Hong Han Auto parts Co., Limited	Director Representative	Chen, Jung-Juan	Spouse
	R.O.C	Representative: Lin, Chi-Pin	Male 61-70				1,000	1%	1,000	0.85%	—	—	53,675	45.44%					
Director	Samoa	BroadLight Consultants Ltd.	—	2021.08.23	3	2015.06.15	10,000	10%	10,000	8.47%	—	—	—	—	Food Engineering, Da Yeh University	Deputy General Manager, Changchun Engley Automobile Industry Co., Ltd.	—	—	—
	R.O.C	Representative: Lin, Chun-Pang	Male 41-50				—	—	10,000	0.01%	4	—	—	—					
Director	Samoa	Top-Gain Enterprises Ltd.	—	2021.08.23	3	2018.05.29	10,000	10%	10,000	8.47%	—	—	—	—	Ta Hwa University of Science and Technology	1.Director, Suzhou Engley Auto Part Co., Ltd. 2.Changchun Hongyun Cloud Computing Technology	Director Representative	Lin, Chi-Pin	Spouse
	R.O.C	Representative: Chen, Jung-Juan	Female 61-70				—	—	—	—	—	—	—	—					
Director	R.O.C	Tsai, Meng-Han	Male 31-40	2021.08.23	3	2018.05.29	—	—	—	—	—	—	—	—	Master of Laws, University of Southern California	1.Master of Laws, University of Southern California 2.Supervisor of Zhan Yuan Investment Co., Ltd.	—	—	—

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse&Minor Shareholding		Shareholding in the name of others		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Liou, Cheng-Hwai	Male 61-70	2021.08.23	3	2015.06.15	—	—	—	—	—	—	—	—	1.Doctor of Business Administration, National Taipei University 2.Master of Industrial Development (major in Finance), National Cheng Kung University 3.National Taichung University of Science and Technology (Institute of Technology, Business College):Director of General Affairs; Chair of the Department of International Trade; Chair of the Department of Accounting; Convener of Business Management Development Committee; Professor, Department of Accounting and Information Systems 4.Mediator, the Arbitration Association 5.Director of the Taiwan Accounting Association (9th and 10th) 6.Commissioner, Cable TV Advisory Committee 8. Associate Professor (part time), Department of Industrial Engineering, National Tsing Hua University 9.Drafter&Grader, Ministry of Examination 10.Professor (part time), Department of Accounting, National Chung Hsing University 11.Professor (part time), Department of Information Management, National Chang Hua University 12.Supervisor, Academy of Taiwan Information Systems Research (ATISR)	1.Certified Public Accountant of Huijia Accounting Firm 2.Independent director of HOTA INDUSTRIAL MFG.CO.,LTD. 3.Independent director of BEST PRECISION INDUSTRIAL CO., LTD.	—	—	—

Title	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse&Minor Shareholding		Shareholding in the name of others		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Yeh, Chih-Ming	Male 61-70	2021.08.23	3	2015.06.15	—	—	—	—	—	—	—	—	1.PHD, University of Chinese Academy of Sciences 2.Master of Business Management, Da Yeh University 3.Lecturer, the Industrial Technology Research Institute 4.General Manager, HongYi Industrial Co., Ltd. 5.Deputy General Manager, PRET Industrial Co.,Ltd. 6.General Manager, Jinbi Technology Co.,Ltd. 7.Associate Professor (part time), Minnan Normal University 8.Associate Professor (part time), Yang-En University 9. Lecturer (part time) Feng Chia University 10. Lecturer (part time), Ling Tung University	1. Corporate director representative of TD Hi Tech Energy Inc. 2. Corporate director representative of WELLTECH ENERGY INC. 3.Independent director of LU HAI HOLDING CORP. 4. CEO & GM of S&S Healthcare Holding Ltd. 5. Corporate director representative of Swissray Medical AG(SRM) 6. GM of SWISSRAY ASIA HEALTHCARE COMPANY LIMITED 7. GM of Shin Shin Healthcare Co., Ltd. 8. Corporate director representative of SOARMED Co., Ltd.	—	—	—
Independent Director	R.O.C	Hsu, Ching-Tao	Male 51-60	2021.08.23	3	2015.06.15	—	—	—	—	—	—	—	—	1.Bachelor of Accounting, Feng Chia University 2.Manager, Capital Market Division President Securities Corp.	Independent Director, EXCEL CELL ELECTRONIC CO., LTD.	—	—	—

Note: If the general manager or the equivalent (top management) and the chairman are the same person or spouses or the relative within the first degree of kinship, it shall disclose the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors, or requiring more than half of the directors not working as the employee or managers concurrently).

The general manager are the chairman of the company are the same person, which mainly aims to meet the business expansion needs. However, the company sets up the key positions and the plans for development and succession. We firstly conducts position evaluation to determine the key positions, based on which the bank of talents for the key positions are established, and the candidates for directors and key positions are selected. The company sets up three independent directors, and more than half of directors are not employees or managers.

(2) Supervisor

N/A. The Company has established the Audit Committee.

(3) Major shareholders of institutional shareholders

Major shareholders of institutional shareholders

As of April 26 2022

Name of Institutional Shareholders	Major Shareholders	%
Honghan Industrial Co., Ltd.	Lin, Chi-Pin	25%
Honghan Industrial Co., Ltd.	Chen, Jung-Juan	75%
BroadLight Consultants Ltd.	Wise Faith Holding Limited	100%
Top-Gain Enterprises Ltd.	Wise Faith Holding Limited	100%

Major shareholders of the Company's major institutional shareholders

As of April 26 2022

Name of Institutional Shareholders	Major Shareholders	% 例
Wise Faith Holding Limited	Lin, Chi-Pin	100%

(4) Information disclosure of the professional qualifications of directors and supervisors and independence of independent directors:(the Company does not have supervisors)

Qualification Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of the other public companies where the person holds the title as independent director concurrently
Lin, Chi-Pin (Representative, Honghan Industrial Co.,Ltd.)	As the founder and current chairman of the company, he has more than five years of industry experience, marketing, strategic management and leadership planning capabilities, leading the company to become an industry leader and a sustainable business. Not under any circumstances as stipulated in Article 30 of the Company Act.	—	—
Lin, Chun-Pang (Representative, BroadLight Consultants Ltd.)	He also serves as the vice president of the subsidiary Changchun Engley Automobile Industry Co., Ltd., with more than five years of industrial experience, marketing, strategic management and leadership planning capabilities; specializing in rich experience in the automotive industry. Not under any circumstances as stipulated in Article 30 of the Company Act.	—	—

Qualification Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of the other public companies where the person holds the title as independent director concurrently
Chen, Jung-Juan (Representative, Top-Gain Enterprises Ltd.)	He is also a director of the subsidiary Suzhou Engley Auto Part Co., Ltd. with more than five years of work experience required for business, finance and corporate business; specializing in rich experience in the automotive industry. Not under any circumstances as stipulated in Article 30 of the Company Act.	—	—
Tsai, Meng-Han	He is currently the chief lawyer of HORNG SHYANG CPA, LAW & LAND ADMINISTRATION AGENT OFFICES, with a professional lawyer's license and rich practical experience. He has more than five years of work experience in business, finance and corporate business. Specializing in legal professional fields, assisting companies with legal consultation and guidance. Not under any circumstances as stipulated in Article 30 of the Company Act.	—	—
Independent director Liou, Cheng-Hwai	Graduated from National Taipei University with a Ph.D. in Business Administration and National Cheng Kung University with a Master of Engineering in Management. He has an accountant certificate and a lecturer in public and private colleges and universities. He is the convener of the Audit Committee and Remuneration Committee of the Company, currently a certified public accountant of Huijia Accounting Firm, and an independent director of HOTA INDUSTRIAL MFG. CO., LTD. and BEST PRECISION INDUSTRIAL CO., LTD. Specialized in financial planning and accounting professional affairs, with rich industry experience. Not under any circumstances as stipulated in Article 30 of the Company Act.	An independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or seconddegree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	2

Qualification Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of the other public companies where the person holds the title as independent director concurrently
Independent director Hsu, Ching-Tao	Graduated from the Accounting Department of Feng Chia University, he is a member of the Company's Audit Committee and Remuneration Committee. He used to be the manager of the Capital Market Division President Securities Corp., and is currently Independent Director of EXCEL CELL ELECTRONIC CO., LTD. Specialized in capital market field experience and financial planning affairs, with rich industry experience. Not under any circumstances as stipulated in Article 30 of the Company Act.	An independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or seconddegree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	1
Independent director Yeh, Chih-Ming	Graduated from the University of Chinese Academy of Sciences with a doctorate in management and a master's degree in management from the Institute of Business Management of Daye University, and has the qualification of lecturer or above in public and private colleges and universities. He is a member of the Company's Audit Committee and Remuneration Committee, currently the CEO and General Manager of S&S Healthcare Holding Ltd., and an independent director of LU HAI HOLDING CORP. Specializing in business operations and financial affairs, he has extensive industry experience. Not under any circumstances as stipulated in Article 30 of the Company Act.	An independent director who is in compliance with the criteria for independence, not a director, supervisor, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or seconddegree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	1

5. Diversity and Independence of the Board:

(1) Board diversification: Specify the Board's diversity policy, objectives and achievements. The diversity policy includes but is not limited to director selection criteria, the professionalism expected of directors; their qualifications and experience, gender, age, nationality and culture as well as the composition or proportion of the Board; and describe the company's specific goals and their achievements based on the policy disclosed above.

According to Article 20 of the Company's "Code of Practice on Corporate Governance", the composition of the board of directors should be diversified. Except for directors who also serve as managers of the company, it is not advisable to exceed one-third of the number of directors. To formulate an appropriate diversity policy, it should include but not be limited to the following two

major aspects of the standard:

A、 Basic conditions and values: Gender, age, nationality, culture, etc.

B、 Professional knowledge and skills: Professional background (such as legal, accounting, industry, finance, marketing or technology), professional skills and industry, experience, etc.

The members of the board of directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

A. The ability to make judgments about operations. B. Accounting and financial analysis ability.

C. Business management ability.

D. Crisis management ability.

E. Knowledge of the industry.

F. An international market perspective.

G. Leadership ability.

H. Decision-making ability.

The current board of directors of the company consists of 7 directors, including 3 independent directors. The members have rich experience and expertise in the fields of finance, business and management. In addition, the company also pays attention to gender equality in the composition of the board of directors. Currently, one director is a woman. The relevant diversification implementation situation is as follows:

Director Name	Nationality	Gender	Part-time employee of the company	Age				Length of tenure of independent directors			Diversified core competencies							
				31-40	41-50	51-60	61-70	Below 3 years	3-9 years	Over 9 years	The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	Decision-making ability
Lin, Chi-Pin (Representative, Honghan Industrial Co.,Ltd.)	R. O. C.	Male	✓				✓				✓		✓	✓	✓	✓	✓	✓
Lin, Chun-Pan g (Representative, BroadLight Consultant	R. O. C.	Male	✓		✓						✓		✓	✓	✓	✓	✓	✓

s Ltd.)																		
Chen, Jung-Juan (Representative, Top-Gain Enterprises Ltd.)	R. O. C.	Female					✓				✓		✓		✓	✓		✓
Tsai, Meng-Han	R. O. C.	Male		✓						✓		✓	✓			✓	✓	✓
Independent director Liou, Cheng-Hwai	R. O. C.	Male					✓		✓		✓	✓	✓	✓		✓	✓	✓
Independent director Hsu, Ching-Tao	R. O. C.	Male				✓			✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent director Yeh, Chih-Ming	R. O. C.	Male					✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

Execution status and goal of diversified board of directors

Management goals	Execution status
The director who is also an employee should not exceed one-third of the number of directors	Achieved (Only the chairman concurrently the general manager)
At least one female director	Achieved (a female director)
Independent directors shall serve no more than three consecutive terms	Achieved (All three independent directors serve the third term)

(2) Independence of the Board of Directors: The number and proportion of independent directors must be specified; explain the independence of the Board of Directors; with details whether matters stated in Subparagraphs 3-4, Article 26-3 of the Securities and Exchange Act; with a description provided where there is a spouse or second degree of kinship between directors or supervisors or between directors and supervisors.

The current board of directors of the company consists of 7 directors, including 3 independent directors, and independent directors account for 3/7 of the directors.(The goal of independent directors of the company is not less than 3 and more than one-fifth of all directors) It is not advisable for a director to concurrently serve as a manager for more than one third of the company. Currently, only the chairman concurrently serves as the general manager. In addition, there should be more than half of the directors, and there should be no relationship between spouses and relatives within the second degree. Currently, only two directors have relatives within the second degree. In summary, the goals for independence have been achieved.

2. Information of general manager, deputy general manager, associate manager, managers of departments and branches

As of 26 April 2022 Unit: 1,000 shares

Title	Nationality	Name	Gender	Inauguration date	Shareholding		Spouse&Minor Shareholding		Shareholding in the name of others		Experience (Education)	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Employee Stock Options Granted to Managers
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C	Lin, Chi-Pin	Male	2015.06.01	1,000	0.85%	—	—	53,675	45.44%	Ta Hwa University of Science and Technology	1.Chairman, Changchun Engley Automobile Industry Co., Ltd. 2.Chairman, Changchun Engley Auto Parts Co., Ltd. 3.Exective Director, Foshan Engley Auto Part Co., Ltd. 4.Executive Director, Tianjin Engley Manufacturing Co., Ltd. 5.Vice Chairman, Constellium Engley (Changchun) Automotive Structures Co., Ltd. 6.Chairman, Changchun CECK Auto. Parts Co.,Ltd. 7.Executive Director&General Manager, Changchun Hongyun Cloud Computing Technology 8.Chairman, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 9.Director, Honghan Industrial Co., Ltd. ∙ Bright Success Inc. ∙ BroadLight Consultants Ltd. ∙ Top-Gain Enterprises Ltd. ∙ Able Well International Limited ∙ Able Gain Investment Limited ∙ Double Luck Investment Limited ∙ Superb Goal Ventures Limited ∙ Jade Profit Company Limited ∙ Wise Faith Holding Limited ∙ Ever Honest Consultant Ltd. ∙ Hong Han Auto parts Co., Limited	Director Representative	Chen, Jung-Juan	Spouse	Director Representative
Financial Manager	R.O.C	Huang, Sheng-Wen	Male	2021.12.28	1	—	—	—	—	—	1.BM, NSYSU 2.Manager, PwC Taiwan 3.Deputy Manager, HEP TECH Co., LTD. 4.Manager, Edison Technology Co., Ltd 5.CFO, Reijean Lighting Group	None	—	—	—	—

Note: If the general manager or the equivalent (top management) and the chairman are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors, or requiring more than half of the directors not working as the employee or managers concurrently).

The general manager are the chairman of the company are the same person, which mainly aims to meet the business expansion needs. However, the company sets up the key positions and the plans for development and succession. We firstly conducts position evaluation to determine the key positions, based on which the bank of talents for the key positions are established, and the candidates for directors and key positions are selected. The company sets up three independent directors, and more than half of directors are not employees or managers.

C. Remuneration paid during the most recent fiscal year to directors, supervisors, general manager and deputy general manager

1. Remuneration paid to Directors (including Independent Directors)

Unit: NT\$ 1,000/1,000 shares

Title	Name	Remuneration paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration paid to Directors who are also employees										Ratio of Total Remuneration (A+B+C+D+E+F) to Net Income (%)		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay and Pensions (B)		Directors Compensation (C)		Allowance (D)				Salary, Bonuses and Allowances (E)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)								
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial report					
Chairman	Lin, Chi-Pin (Representative, Hongshan Industrial Co.,Ltd.)	—	—	—	—	1,700	1,700	—	—	0.25%	0.25%	—	1,693	—	—	—	—	234	—	0.26%	0.55%	None		
Director	Lin, Chun-Pang (Representative, BroadLight Consultants Ltd.)					500	500	—	—	0.08%	0.08%	—	1,721	—	—	—	—	208	—	0.08%	0.36%	None		
Director	Chen, Jung-Juan (Representative, Top-Gain Enterprises Ltd.)					4,000	4,000	—	—	0.60%	0.60%	—	—	—	—	—	—	—	—	0.60%	0.60%	None		
Director	Tsai, Meng-Han					500	500	—	—	0.08%	0.08%	—	—	—	—	—	—	—	—	0.08%	0.08%	None		
Independent Director	Liou, Cheng-Hwa	420	420	—	—	—	—	27	27	0.07%	0.07%	—	—	—	—	—	—	—	—	0.07%	0.07%	None		
Independent Director	Hsu, Ching-Tao	420	420	—	—	—	—	24	24	0.06%	0.06%	—	—	—	—	—	—	—	—	0.06%	0.06%	None		
Independent Director	Yeh, Chih-Ming	420	420	—	—	—	—	27	27	0.07%	0.07%	—	—	—	—	—	—	—	—	0.07%	0.07%	None		

- Specify payment policy, system, standard and structure for remuneration to independent director and specify the interconnection with the amount paid pursuant to factors including but not limited to duty, risk, time spent:

The Company sets 3 independent directors and the Remuneration Committee and Audit Committee also are constituted by all independent directors, where remuneration is subject to the "Payment Measures for Remuneration to Directors, Supervisors and Functional Members". The Company pays remuneration to independent directors regularly every month and independent director will not be included in the disposition of earnings.

- Compensation received by director for providing service to any company included in the financial statements (For example, serving as a consultant for a non-employee of the parent company/companies included in the financial statements/investment businesses in the last year, except those disclosed) in the above table:

None.

Range of Remunerations

Range of remunerations paid to Directors	Name of Directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report
Under NT\$ 1,000,000	Liou, Cheng-Hwai,Hsu, Ching-Tao,Yeh, Chih-Ming,Tsai, Meng-Han,Lin, Chun-Pang	Liou, Cheng-Hwai,Hsu, Ching-Tao,Yeh, Chih-Ming,Tsai, Meng-Han,Lin, Chun-Pang	Liou, Cheng-Hwai,Hsu, Ching-Tao, Yeh, Chih-Ming, Tsai, Meng-Han, Lin, Chun-Pang	Liou, Cheng-Hwai,Hsu, Ching-Tao, Yeh, Chih-Ming, Tsai, Meng-Han
NT\$1,000,000 (included)~ NT\$ 2,000,000 (excluded)	Lin, Chi-Pin	Lin, Chi-Pin	Lin, Chi-Pin	Lin, Chun-Pang
NT\$2,000,000 (included)~ NT\$ 3,500,000 (excluded)	—	—	—	—
NT\$3,500,000 (included)~ NT\$ 5,000,000 (excluded)	Chen, Jung-Juan	Chen, Jung-Juan	Chen, Jung-Juan	Lin, Chi-Pin 、Chen, Jung-Juan
NT\$5,000,000 (included)~ NT\$10,000,000 (excluded)	—	—	—	—
NT\$10,000,000 (included)~ NT\$15,000,000 (excluded)	—	—	—	—
NT\$15,000,000 (included)~ NT\$30,000,000 (excluded)	—	—	—	—
NT\$30,000,000 (included)~ NT\$50,000,000 (excluded)	—	—	—	—
NT\$50,000,000 (included)~ NT\$100,000,000 (excluded)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	Seven persons	Seven persons	Seven persons	Seven persons

2. Remunerations paid to Supervisors: N/A. The Company has established the Audit Committee.

3. Remuneration paid during the most recent fiscal year general manager and deputy general manager

Unit: NT\$ 1,000/1,000 shares

Title	Name	Salary(A)		Severance Pay and Pensions (B)		Bonus and Allowances (C)		Employees' Profit Sharing Bonus(D)				Ratio of total compensation (A+B+C+D) to net income(%)		Employee Stock Options granted to employees		Employee Restricted Stock Granted		Compensation paid to directors from an invested company other than the company's subsidiary
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company		All companies in the consolidated financial report		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report			
								Cash	Stock	Cash	Stock							
General Manager	Lin, Chi-Pin	—	1,693	—	—	—	—	—	—	234	—	—	0.29%	—	1,693	—	—	None
CFO	Yang, Cheng-Feng	1,055	—	—	—	—	—	—	—	—	—	0.16%	0.16%	1,055	—	—	—	None

Note. CFO, Yang Cheng-Feng was dismissed on August 26, 2021 due to internal job adjustment in the company.

Range of Remunerations

Range of remunerations paid to general manager and deputy general manager	Name of general manager and deputy general manager	
	The Company	All companies in the consolidated financial report
Under NT\$ 1,000,000	—	—
NT\$1,000,000 (included)~NT\$ 2,000,000 (excluded)	Yang, Cheng-Feng	Lin, Chi-Pin, Yang, Cheng-Feng
NT\$2,000,000 (included)~NT\$ 3,500,000 (excluded)	—	—
NT\$3,500,000 (included)~NT\$ 5,000,000 (excluded)	—	—
NT\$5,000,000 (included)~NT\$10,000,000 (excluded)	—	—
NT\$10,000,000 (included)~NT\$15,000,000 (excluded)	—	—
NT\$15,000,000 (included)~NT\$30,000,000 (excluded)	—	—
NT\$30,000,000 (included)~NT\$50,000,000 (excluded)	—	—
NT\$50,000,000 (included)~NT\$100,000,000 (excluded)	—	—
Over NT\$100,000,000	—	—
Total	One person	Two persons

4. Employees' Profit Sharing Bonus Paid to Management Team

Unit: NT\$ 1,000

Title	Name	Stock	Cash	Total	Employees' Profit Sharing Bonus Paid to Management Team as % of 2021 Net Income
General Manager	Lin, Chi-Pin	—	234	234	0.04%
CFO	Yang, Cheng-Feng				

Note1: Prior to the date of printing the annual report, employees' profit sharing bonus has been decided by the board meeting to pay in cash, but it will not be paid until the Shareholders' Meeting approves.

Note2: CFO, Yang Cheng-Feng was dismissed on August 26, 2021 due to internal job adjustment in the company.

5. Comparison and disclosure of remuneration in the most recent 2 years paid by the company and all companies included in the consolidated financial statements to the company's directors, supervisors, President and vice presidents as a percentage of after-tax net profit. Describe the remuneration policy, standards, and packages, the procedures for determining remuneration and link to business performance and future risks.

- (1) Amount of remuneration paid to directors, supervisors, the President and vice presidents of the Company and all companies included in the consolidated financial statements in the last 2 years, and as a percentage of net income.

Title	Ration of the total remuneration paid to directors, supervisors, general managers and deputy general managers by the Company and all companies in the consolidated financial statement to net income in individual financial statements			
	2020		2021	
	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report
Directors	1.67%	2.69%	1.70%	2.28%
General Manager and Deputy General Manager	0.43%	1.06%	0.16%	0.45%

- (2) Remuneration policies, standards and packages, the procedure to determine remuneration, and the linkage to operating performance and future risk exposure.

The Company's Articles of Incorporation provides that the base compensation for Directors, the general manager and deputy general manager may be determined by reference to industry levels. A determination of remuneration also needs to comply with the procedure set out in the Articles of Incorporation stating – the Board of Directors should propose and submit a draft distribution plan to the Shareholders' Meeting for its approval. The Company has established a Remuneration Committee, which consists of all Independent Directors. The remuneration policy includes policies, systems, standards and structures in relation to the amount of remuneration paid to Directors and managers. Remuneration, which is determined by the Remuneration Committee, based on roles, contribution to the Company through engagement in operations and industry levels. The merit-based remuneration policy and the amount of remuneration paid to Directors and managers both will be reviewed regularly.

D. Corporate Governance Implementation

1. Board of Directors Meeting Status

Nine meetings were held in fiscal years 2021. The Directors' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Chairman	Lin, Chi-Pin (Representative, Honghan Industrial Co., Ltd.)	7	2	78%	
Director	Lin, Chun-Pang (Representative, BroadLight Consultants Ltd.)	8	1	89%	
Director	Chen, Jung-Juan (Representative, Top-Gain Enterprises Ltd.)	3	6	33%	
Director	Tsai, Meng-Han	9	0	100%	
Independent Director	Liou, Cheng-Hwai	9	0	100%	
Independent Director	Hsu, Ching-Tao	8	1	89%	
Independent Director	Yeh, Chih-Ming	9	0	100%	

Other matters required to be recorded:

- a. Under the following circumstances, the dates of the Board of Directors' meetings, terms, proposals and the Independent Directors' opinions and the Company's responses to these opinions need to be recorded:

- i. Matters in relation to Securities and Exchange Act §14-3:

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
March 16 2021	The 25th Meeting during the 4th Board	Proposal of 2020 remuneration distribution for employees, directors, and supervisors	Agree	N/A	YES
		Reviewed the proposal of the performance evaluation, remuneration policies, systems, criteria and structure for directors, independent directors and managers			
		2019 manager remuneration checklist			
		Report on the performance evaluation of the directors and the Board reviewed by the Remuneration Committee			
		2020 Operation Report and Final Accounts			
		2020 Profit Distribution Plan			
		The proposal of Statement of Internal Control System during January 1~December 31, 2020			
		Proposal of amendments to "Rule of Procedure of Shareholder's Meeting"			
		Proposal of amendments to "The process of preparing financial report"			
		Approval of the proposal that the subsidiary Changchun Engley Automobile Industry Co., Ltd. (hereinafter referred to as "Engley Automobile") presented a Letter of Commitment			
		The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))			
March 23 2021	The 26th Meeting during the 4th Board	The company's simplified consolidated financial forecast for the first quarter of 2021	Agree	N/A	YES
May 11 2021	The 27th Meeting during the	Amendments to the "Procedures for Ethical Management and Guidelines for Conduct".	Agree	N/A	YES

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
	4th Board	View the Group's disguised financing situation of current quarter			
		The Company provided a guarantee to Tianjin Engley Manufacturing Co., Ltd. (hereinafter referred to as Tianjin Engley)			
		The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley)			
		The Company provided a guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi)			
		The Company provided a guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi)			
		The Company provided a guarantee to Suzhou Engley Auto Part Co., Ltd. (hereinafter referred to as Suzhou Engley)			
		Foshan Engley Auto Part Co., Ltd. plans to build a new automated production line			
July 20 2021	The 28th Meeting during the 4th Board	The company intends to apply to SINOPAC Bank for a joint credit extension of US\$60 million	Agree	N/A	YES
		For the company to handle the raising and issuance of the third unsecured conversion of corporate bonds in the Republic of China			
		Amendment to the expected benefit of the Company's first unsecured conversion of corporate bonds in the Republic of China			
		The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))			
August 27 2021	The 2nd Meeting during the 5th Board	Appointment of members of the Compensation Committee	Agree	N/A	YES
		Appointment of General Manager			
		Amendments to the "Group Approval Authority Table".			
		The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley)			
		The Company provided a guarantee to Ningbo Maoxiang Material Co., Ltd. (China) (hereinafter referred to as Ningbo Maoxiang)			
October 15 2021	The 3rd Meeting during the 5th Board	Proposal of lending capitals to the subsidiary - Kranendonk Beheersmaatschappij B.V.	Agree	N/A	YES
November 9 2021	The 4th Meeting during the 5th Board	Disposal of land use rights and housing construction of Ningbo Maoxiang Material Co., Ltd.	Agree	N/A	YES
December 28 2021	The 5th Meeting during the 5th Board	Proposal of 2022 Annual Budget and Operation Plan	Agree	N/A	YES
		Proposal of 2022 Annual Internal Audit Plan			
		The Company's Accounting Supervisor, Financial Supervisor Appointment and Salary Remuneration			
		The proposal of 2021 year-end bonus distribution			

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
March 29 2022	The 6th Meeting during the 5th Board	Proposal of 2021 remuneration distribution for employees, directors, and supervisors Reviewed the proposal of the performance evaluation, remuneration policies, systems, criteria and structure for directors, independent directors and managers 2021 manager remuneration checklist Report on the performance evaluation of the directors and the Board reviewed by the Remuneration Committee The proposal of the adjusted remuneration paid to managers based on a monthly basis in 2022 2021 Operation Report and Final Accounts 2021 Profit Distribution Plan The proposal of Statement of Internal Control System during January 1~December 31, 2021 The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin)) Amendment to the "Company's Articles of Association" Amendment to the "Regulations Governing the Acquisition and Disposal of Assets" Amendment to the "Corporate Social Responsibility Code of Practice" Amendment to the "PROCEDURAL RULES OF GENERAL MEETINGS" and "Code of Practice on Corporate Governance"	Agree	N/A	YES

- ii. Except for the matters stated above, there were no other written or otherwise recorded resolutions on which an independent director had any dissenting opinion or qualified opinion in 2020.
- b. In any circumstance where an Director recuses himself/herself from any involvement with the issue in which the Directors' own interests conflict with those of the Company, names of such Directors, resolutions, reasons of recusal and relevant voting situations need to be recorded

The 25th meeting during the 4th Board on March 16 2021

(i)Proposal: Reviewing policies, systems, criteria and programs on evaluation of the Directors', Independent Directors' and managers' performances, as well as regularly evaluating and determining their compensation.

Director with conflicts of interests: Lin, Chi-Pin, Chen, Jung-Juan, Liou, Cheng-Hwai, Hsu, Ching-Tao, Yeh, Chih-Ming, Lin, Chun-Pang, Tsai, Meng-Han.

Reasons of recusal and relevant voting situations:

Directors Lin Chi Pin and Chen Jung Juan (with the second degree of kinship with Lin Chi Pin) rescued themselves due to the conflict of interests. The remaining directors shall avoidance involved individually, and the withdrawing directors shall not participate in the voting, and the case shall be approved by the unanimous consent of the remaining directors present.

(ii)Proposal: The table of remuneration paid to managers in 2020.

Director with conflicts of interests: Lin, Chi-Pin, Chen, Jung-Juan.

Reasons of recusal and relevant voting situations:

Directors Lin Chi Pin (also the general manager), and Chen Jung Juan (with the second degree of kinship with Lin Chi Pin) rescued themselves due to the conflict of interests. The Chairman appointed the independent director Liou Cheng Hwai as the interim chairman. After the chairman consulted all the attending directors (excluding the avoiding directors), this proposal was approved unanimously by remaining directors who were present at the meeting.

The 2nd meeting during the 5th Board on August 27, 2021

(i)Proposal: Appointment of members of the Compensation Committee.

Director with conflicts of interests: Liou, Cheng-Hwai, Hsu, Ching-Tao, Yeh, Chih-Ming.

Reasons of recusal and relevant voting situations:

Directors Liou, Cheng-Hwai, Hsu, Ching-Tao, Yeh, Chih-Ming rescued themselves due to the conflict of interests. The remaining directors shall avoidance involved individually, and the withdrawing directors shall not participate in the voting, and the case shall be approved by the unanimous consent of the remaining directors present.

(ii)Proposal: Appointment of General Manager.

Director with conflicts of interests: Lin, Chi-Pin.

Reasons of recusal and relevant voting situations:

Directors Lin Chi Pin rescued himself due to the conflict of interests. The Chairman appointed the independent director Liou Cheng Hwai as the interim chairman. After the chairman consulted all the attending directors (excluding the avoiding directors), this proposal was approved unanimously by remaining directors who were present at the meeting.

The 6th meeting during the 5th Board on March 29 2022

(i)Proposal: Reviewing policies, systems, criteria and programs on evaluation of the Directors', Independent Directors' and managers' performances, as well as regularly evaluating and determining their compensation.

Director with conflicts of interests: Lin, Chi-Pin, Chen, Jung-Juan, Liou, Cheng-Hwai, Hsu, Ching-Tao, Yeh, Chih-Ming, Lin, Chun-Pang, Tsai, Meng-Han.

Reasons of recusal and relevant voting situations:

Directors Lin Chi Pin and Chen Jung Juan (with the second degree of kinship with Lin Chi Pin) rescued themselves due to the conflict of interests. The remaining directors shall avoidance involved individually, and the withdrawing directors shall not participate in the voting, and the case shall be approved by the unanimous consent of the remaining directors present.

(ii)Proposal: The table of remuneration paid to managers in 2021.

Director with conflicts of interests: Lin, Chi-Pin, Chen, Jung-Juan.

Reasons of recusal and relevant voting situations:

Directors Lin Chi Pin (also the general manager), and Chen Jung Juan (with the second degree of kinship with Lin Chi Pin) rescued themselves due to the conflict of interests. The Chairman appointed the independent director Liou

Cheng Hwai as the interim chairman. After the chairman consulted all the attending directors (excluding the avoiding directors), this proposal was approved unanimously by remaining directors who were present at the meeting.

2. Implementation of board evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annual	2021/1/1-2021/12/31	Performance evaluation of the Board, individual directors and functional committees	Internal self-evaluation of the Board and the self-evaluation of directors	Refer to Note 1

Note 1. Evaluation content

Item	Evaluation content
Performance evaluation of the overall Board	Participation in the operation of the Company, improving the quality of decisions made by the Board, composition and structure of the Board, continuing education of directors and internal control
Performance evaluation of the individual directors	Corporate goals and missions learned, responsibilities of directors learned, participation in the operation of the Company, internal relationship management and communication, expertise and continuing education of directors and internal control
Performance evaluation of the functional committees	Participation in the operation of the Company, responsibilities of the functional committees learned, improving the quality of decisions made by the functional committees, composition of the functional committees and appointment of committee members, and internal control
At least one independent director with accountant certificate, financial expertise or business management expertise	Achieved (Independent director Liou, Cheng-Hwai has an accountant certificate, all three independent directors have financial expertise, and independent director Yeh, Chih-Ming has corporate management expertise)

3. Audit Committee Status or Supervisors' attendance the state of participation at board meetings

- (1) The Audit Committee of the Company is composed of 3 independent directors, and its operation mainly aims to supervise the following items:
 - a. The adequacy of the Company's financial statements.
 - b. The appointment (termination), independence and performance of CPA.
 - c. Effective implementation of the Company's internal control.
 - d. Regulatory compliance of the Company.
 - e. Control of the Company's existing or potential risks.
- (2) Eight meetings held by the Company's Audit Committee. The Independent Directors' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Independent Director	Liou, Cheng-Hwai	8	0	100%	August 23, 2021 re-elected
Independent Director	Hsu, Ching-Tao	7	1	88%	August 23, 2021 re-elected
Independent Director	Yeh, Chih-Ming	8	0	100%	August 23, 2021 re-elected

(3) Other matters are required to be recorded:

- a. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions:

i. Matters in relation to Securities and Exchange Act §14-5:

Meeting Date	Session	Proposal	Contents of independent directors' objections, reservations or major proposals	Audit Committee's resolution	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
March 16 2021	The 24th Meeting during the 2nd Committee	2020 Operation Report and Final Accounts	None	Agree	N/A	YES
		2020 Profit Distribution Plan				
		The proposal of Statement of Internal Control System during January 1~December 31, 2020				
		Proposal of amendments to "Rule of Procedure of Shareholder's Meeting"				
		Proposal of amendments to "The process of preparing financial report"				
		Approval of the proposal that the subsidiary Changchun Engley Automobile Industry Co., Ltd. (hereinafter referred to as "Engley Automobile") presented a Letter of Commitment				
		The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))				
March 23 2021	The 25th Meeting during the 2nd Committee	The company's simplified consolidated financial forecast for the first quarter of 2021	None	Agree	N/A	YES
May 11 2021	The 26th Meeting during the 2nd Committee	Amendments to the "Procedures for Ethical Management and Guidelines for Conduct".	None	Agree	N/A	YES
		View the Group's disguised financing situation of current quarter				
		The Company provided a guarantee to Tianjin Engley Manufacturing Co., Ltd. (hereinafter referred to as Tianjin Engley)				
		The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley)				
		The Company provided a				

Meeting Date	Session	Proposal	Contents of independent directors' objections, reservations or major proposals	Audit Committee's resolution	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
		guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi) The Company provided a guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi) The Company provided a guarantee to Suzhou Engley Auto Part Co., Ltd. (hereinafter referred to as Suzhou Engley) Foshan Engley Auto Part Co., Ltd. plans to build a new automated production line				
July 20 2021	The 27th Meeting during the 2nd Committee	The company intends to apply to SINOPAC Bank for a joint credit extension of US\$60 million For the company to handle the raising and issuance of the third unsecured conversion of corporate bonds in the Republic of China Amendment to the expected benefit of the Company's first unsecured conversion of corporate bonds in the Republic of China The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))	None	Agree	N/A	YES
August 27 2021	The 1st Meeting during the 3rd Committee	Appointment of members of the Compensation Committee Appointment of General Manager Amendments to the "Group Approval Authority Table". The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley) The Company provided a guarantee to Ningbo Maoxiang Material Co., Ltd. (China) (hereinafter referred to as Ningbo Maoxiang)	None	Agree	N/A	YES
October 15 2021	The 2nd Meeting during the 3rd Committee	Proposal of lending capitals to the subsidiary - Kranendonk Beheersmaatschappij B.V.	None	Agree	N/A	YES
November 9 2021	The 3rd Meeting during the 3rd Committee	Disposal of land use rights and housing construction of Ningbo Maoxiang Material Co., Ltd.	None	Agree	N/A	YES
December 28 2021	The 4th Meeting during the 3rd Committee	Proposal of 2022 Annual Budget and Operation Plan Proposal of 2022 Annual Internal Audit Plan The Company's Accounting Supervisor, Financial Supervisor Appointment and Salary Remuneration	None	Agree	N/A	YES
March 29 2022	The 5th Meeting during the 3rd	2021 Operation Report and Final Accounts 2021 Profit Distribution Plan The proposal of Statement of	None	Agree	N/A	YES

Meeting Date	Session	Proposal	Contents of independent directors' objections, reservations or major proposals	Audit Committee's resolution	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
	Committee	Internal Control System during January 1~December 31, 2021				
		The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))				
		Amendment to the "Company's Articles of Association"				
		Amendment to the "Regulations Governing the Acquisition and Disposal of Assets"				
		Amendment to the "Corporate Social Responsibility Code of Practice"				
		Amendment to the "PROCEDURAL RULES OF GENERAL MEETINGS" and "Code of Practice on Corporate Governance"				

ii. Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two thirds of directors: None.

- f. In any circumstance where an Independent Director recuses himself/herself from any involvement with the issue in which the Independent Directors' own interests conflict with those of the Company names of such Directors, resolutions, reasons of recusal and relevant voting situations need to be recorded: No.
- g. Communications between independent directors and head of internal audit and accountants (which include significant matters related to the Company's financial and business status, communication methods, and its results, etc.):

The Company's office of internal audit regularly submits an auditing report to the independent directors and was present in Board meetings to update the latest auditing results. The independent directors can inspect the Company's financial and business situation from time to time. As they have questions or advices related to the Company's operations, they can immediately contact heads of relevant offices to facilitate further communication and improvement. In addition to regular review of financial statements, the independent director can meet with accountants to have discussions where it is necessary.

4. The implementation of corporate governance, and its non-implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", and the reason for such non-implementation

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Does the Company follow the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to establish and disclose its corporate governance practices?	V		The Company has established the "Corporate Governance Practices".	No Significant Difference

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
2. Shareholding Structure & Shareholders' Rights				
(1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	V		1. The Company has set up a spokesperson, acting spokesperson, dedicated personnel and email to handle shareholder suggestion or disputes in accordance with the procedure. Legal issues such as disputes and litigation are handed by lawyers.	No Significant Difference
(2) Does Company possess a list of major shareholders of controlling companies and beneficial owners of these major shareholders?	V		2. The Company owns the list of major shareholders of controlling companies and beneficial owners of these major shareholders and regularly track and monitor changes.	No Significant Difference
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	V		3. Every affiliated corporation's assets and financial situation has been managed independently and complied with the Company's internal control system to ensure its implementation of risk management and firewalls.	No Significant Difference
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		4. The Company has established "Procedures for Ethical Management and Guidelines for Conduct" to prohibit insiders from taking advantage of undisclosed information to trade securities for the purpose of investor protection and maintenance of business benefits.	No Significant Difference
3. Composition and Responsibilities of the Board of Directors				
(1) Has the Board formulated a diversity policy and specific management objectives, and have they been implemented?	V		1. The fifth Board of Directors of the Company elected seven directors, including one female and three independent directors. An audit committee was established by all independent directors. In order to strengthen the structure of the board of directors, the Company's "Code of Practice on Corporate Governance" has formulated a diversity policy, including but not limited to gender, age, cultural and educational background, etc., and implements the implementation of talent-based employment. Please refer to pages 14 to 16 of this annual report for details of the Company's Board of Directors diversity policy and its implementation.	No Significant Difference
(2) Other than the Remuneration Committee and the Audit Committee, which are required by law, does the Company plan to set up other Board committees?	V		2. In addition to Remuneration Committee and Audit Committee, the Company has not set up any other functional committee. The Company may establish other functional committees depending on actual operations and legal requirements.	No Significant Difference
(3) Has the Company			3. The board of directors of the company passed the	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
established methodology for evaluating the performance of its Board of Directors, on an annual basis?	V		<p>" Regulations on Evaluation of Board of Directors" on February 20, 2019.The board of directors shall evaluate performance at least once a year. Performance evaluation in accordance with the regulations at the end of year.</p> <p>The company should consider the company's situation and the need to formulate measurement items for the performance evaluation of the board of directors, and should include at least the following five aspects:</p> <p>A. The degree of participation in the operation of the company.</p> <p>B. Improve the decision-making quality of the board of directors.</p> <p>C. Composition and structure of the board of directors.</p> <p>D. Election and appointment of directors and continuing education.</p> <p>E. Internal control.</p> <p>The measurement items for the performance evaluation of directors (self or peers) should include at least the following six aspects:</p> <p>A. Mastering the company's goals and tasks.</p> <p>B. Awareness of directors' responsibilities.</p> <p>C. The degree of participation in the company's operations.</p> <p>D. Internal relationship management and communication.</p> <p>E. Professional and continuing education of directors.</p> <p>F. Internal control.</p> <p>The measurement items of audit committee performance evaluation should include at least the following five aspects:</p> <p>A. The degree of participation in the operation of the company.</p> <p>B. Cognition of the responsibilities of the audit committee.</p> <p>C. Improve the decision-making quality of the Audit Committee.</p> <p>D. Composition and selection of members of the Audit Committee.</p> <p>E. Internal control.</p> <p>The measurement items of the performance evaluation of the remuneration committee should include at least the following five aspects:</p> <p>A. The degree of participation in the operation of the company.</p> <p>B. Cognition of the responsibilities of the Remuneration Committee.</p> <p>C. Improve the decision-making quality of the Remuneration Committee.</p> <p>D. Composition and selection of members of the Remuneration Committee.</p> <p>E. Internal control.</p>	No Significant Difference

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
(4) Does the Company regularly evaluate its external auditor's independence?	V		<p>The evaluation is carried out by the director of corporate governance, and is conducted by means of internal questionnaires, including the evaluation of the operation of the board of directors, the evaluation of directors' participation in themselves, and the evaluation of the operation of the audit committee and the remuneration committee.</p> <p>The results of the performance evaluation of the board of directors of the Company shall be used as the reference basis for the selection or nomination of directors; the performance evaluation results of individual directors shall be used as the reference basis for determining their individual remuneration.</p> <p>On March 29, 2022, the Salary and Remuneration Committee reviewed the board members and the report on the results of the 2021's performance evaluation of the board of directors was approved by the board of directors.</p> <p>The 2021-year evaluation result is still good. Suggestions and improvement actions to the board of directors and functional committees: none.</p> <p>4. The Company's Financial Department annually evaluates the independence of external auditors and reports to the Audit Committee and Board of Directors. Evaluation Standards of External Auditor's Independence is defined below as Note 1.</p>	No Significant Difference
4. Does a public company deploy sufficient quantity of eligible governance personnel and appoint a governance supervisor to take charge of company's governance affairs (including, without limitation, providing directors and supervisors with the data required for business operations, assisting directors and supervisors with legal compliance, handling affairs in relation to holding a BOD meeting or a general meeting of shareholders, processing company registration and change registration, and keeping minutes for BOD meetings and general meetings of shareholders)?	V		<p>Corporate governance is developed and promoted by the Operation Management Department. The main responsibilities of the company's corporate governance officer are to handle matters related to the meetings of the board of directors and shareholders' meetings according to the law, prepare minutes of the board of directors and shareholders' meetings, assist directors and independent directors to take office and continue their education, provide directors and independent directors with information required for business execution, and assist directors and independent directors. Compliance with laws and regulations, etc. with independent directors.</p> <p>Please refer to Note 2 for details of the 2021-year training for corporate governance supervisors</p>	No Significant Difference

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	V		The Company has established communication channels for employees and investors, and created a Stakeholders and CSR Section on the Company's website. (1) If the Company's employees need to file complaints and make suggestions, they can contact responsible staff through phone calls and emails. (2) The company has spokespersons, acting spokespersons and e-mail mailboxes to handle matters related to the company's external relations and stakeholders. (3) The Company communicates with investors through regular investors conferences and special investor conferences.	No Significant Difference
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company has appointed the "Department of Transfer Agency Service, SinoPac Securities Corporation" to handle matters relating to Shareholders' Meetings.	No Significant Difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		(1) The Company has established its website to disclose relevant information. As the Company goes public, its information on financials, businesses and corporate governance status is available on the Market Observation Post System.	No Significant Difference
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2) The Company has established the website to introduce its products and post relevant information. It has also appointed an employee at Operation Management Department to be responsible for information collection and disclosure. The Company follows applicable regulations to appoint a spokesperson and an acting spokesperson.	No Significant Difference
(3) Has the company announced and filed its annual financial report within two months after the end of the fiscal year? And announce and report the financial reports for the first, second and third quarters and the operating conditions of each month before the specified deadline?	V		(3) The company currently announces and declares its annual financial report within three months after the end of the fiscal year in accordance with the law; It will announce and report the first, second, and third quarter financial reports and monthly operating conditions within the specified period. Relevant departments take into account the quality and timeliness of public information, and try their best to complete the deadline ahead of schedule as required.	No Significant Difference
8. Has the Company disclosed other information to facilitate a better understanding of its	V		(1) For employees' rights: the Company hires employees in accordance with local government requirements, emphasizes employees' rights, ensures smooth communication and provides	No Significant Difference

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?			<p>employees with a healthy workplace environment.</p> <p>(2) For a caring workplace: the Company organizes well-designed training programs and provides employees with reasonable compensation and benefit.</p> <p>(3) For investor relations: the Company ensures smooth communication and information exchange for investors and other stakeholders. It also respects and protects investor rights.</p> <p>(4) For supplier relations: the Company maintains a good relationship with suppliers through reciprocal cooperation and win-win partnership.</p> <p>(5) For stakeholders' rights: the Company always ensures a smooth communication for stakeholders and act in good faith to publish information to public to maintain investor relations and protect stakeholders' rights.</p> <p>(6) For training records of Directors and Supervisors: The Company's Directors are equipped with appropriate expertise. The Company also arranged trainings courses for Directors. Training courses for Directors in 2021 are listed as Note 3.</p> <p>(7) For risk management policies and risk evaluation criteria: the Company has established various internal control systems and related regulations. In future, the Audit Department will submit annual audit plan to the Audit Committee and the Board of Directors based on risk assessment results. Where the its business operation doesn't fully comply with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", a summary of non-implementation and its reasons needs to be submitted to the Board of Directors for review. Furthermore, in future the Company will disclosed annual statements of internal control systems required by the TWSE in annual reports of the Shareholders' Meeting after its related departments completes evaluation of annual internal control.</p> <p>(8) For Customer relations policy: the Company has developed a process of handling customers' complaints, and maintained a good relationship and effective communication with customers.</p> <p>(9) For D&O liability insurance: the Company contracted with the Fubon Insurance for a D&O insurance policy (The term of this contract: November 24 2021 - November 24 2022).</p>	

9. According to results of Corporate Governance Evaluation published by the TWSE Corporate Governance Center in the most recent year, please clarify any items, which have been improved, and identify priorities and approaches for items to be improved:
Note 4 detailed the items in Corporate Governance Evaluation, which had been determined unqualified to gain points and how they had been improved.

Note 1: Evaluation Standards of External Auditor's Independence

Evaluation Item	Results	Independence
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Evaluation Item	Results	Independence
1. Does any external auditor have direct financial interests or material indirect financial interests in the Company?	No	Yes
2. Is there any financing activity or guarantee commitment between the external auditor and the Company or its Directors?	No	Yes
3. In there any close commercial or potential employment relationship between the external auditor and the Company?	No	Yes
4. Has any external auditor or any member of the external audit team currently acted as a Director, manager or any other role, which may have material impact in the auditing process or its results? Or did any of them acted as one of such roles in the most recent two years?	No	Yes
5. Has any external auditor provided non-auditing service to the Company, which may directly influence auditing process and its results?	No	Yes
6. Has any external auditor act as a stockbroker for the Company's stock or other securities?	No	Yes
7. Has any external auditor acted as a defender or negotiate to resolve disputes involving third parties on behalf of the Company?	No	Yes
8. Is any external audit a relative of the Company's Director(s), manager(s) or other person(s) who may have material impact on auditing?	No	Yes

Note 2: Training courses for Corporate Governance Supervisor in 2021

Title	Name	Learning institutions	Course	Hours
Financial Manager	Lin, Chiu Ching	Chinese Corporate Governance Association	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Securities and Futures Market Development Foundation	2021 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3
		Securities and Futures Market Development Foundation	2021 Annual Prevention of Insider Trading Promotion Conference	3
		Chinese Corporate Governance Association	Compliance with company laws and supervisory obligations of directors	3
		Taiwan Stock Exchange	2021 Cathay Pacific Sustainable Finance and Climate Change Summit	6
		Securities and Futures Market Development Foundation	Listed Company - Seminar on How to Use Futures Commodity Hedging Trading and Corporate Sustainability	3

Note 3: Training courses for Directors in 2021

Title	Name	Course	Hours
Chairman	Lin, Chi-Pin	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3

Title	Name	Course	Hours
Director	Lin, Chun Pang	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3
Director	Chen, Jung-Juan	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3
Director	Tsai, Meng-Han	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3
Independent Director	Liou, Cheng-Hwai	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3
Independent Director	Hsu, Ching-Tao	Corporate Social Responsibility (CSR, ESG) Model Practice Analysis of Corporate Governance Evaluation	3
		Compliance with company laws and supervisory obligations of directors	3
Independent Director	Yeh, Chih-Ming	International Taxation and Transfer Pricing Issues in the Epidemic Environment	3
		Compliance with company laws and supervisory obligations of directors	3

Note 4 Results of Corporate Governance Evaluation

Indicator	Item not qualified to gain points	Improvement	Improved/ To be improved
1. Protecting Shareholder Rights and Interests", "Treating Shareholders Equitably"	1.2 Did the company record the results of shareholders' approval, opposition and waiver of each proposal in the proceedings record, and update the results into the designated internet information reporting system on the day when the Shareholders' Meeting is held?	No	The company did not record the results of shareholders' approval, opposition and waiver of each proposal in the proceedings.
	1.4 Did the chairman of the Company attend the shareholders' meeting personally?	No	The chairman of the Company did not attend the shareholders' meeting personally.
	1.6 Will the Company hold the general shareholder's meeting by the end of May?	No	The Company won't hold the general shareholder's meeting by the end of May.
	1.14 Does the company's annual report disclose the implementation of the resolutions of the previous annual general meeting of shareholders?	Yes	This annual report will disclose the implementation situation according to the indicators, please refer to page 45 for details.
	1.15 Has the company formulated and disclosed on the company website the internal rules and implementation conditions that prohibit insiders such as directors or employees from making profits from information that is not available in the market?	No	The company's website does not disclose the specific circumstances of the implementation of the prohibition of insider trading in 2021 (at least including the subject of the course, the number of hours and the number of participants)

Indicator	Item not qualified to gain points	Improvement	Improved/ To be improved
2. Enhancing Board Composition and Operation	2.2 Has the company formulated a policy on diversity of board members, and disclosed the specific management objectives and implementation of the diversity policy on the company's website and annual report?	No	The specific management objectives and current achievements of the board member diversity policy have not been disclosed in the annual report and website respectively.
	2.3 Are the chairman of the board of directors and the general manager or other persons of equivalent rank (top managers) not the same person or are each other's spouse or first-degree relative?	No	The chairman and general manager of the company are the same person.
	2.7 Is the number of independent directors of the company more than half of the number of directors?	No	The number of independent directors of the company is three-seventh.
	2.9 Does the company formulate a succession plan for board members and key management levels, and disclose their operations on the company website or annual report?	No	Failure to disclose the succession planning and operation of board members and key management levels
	2.14 Apart from the requirements of laws, has the Company set up other functional committees composed of no less than 3 members, and with more than half of the members as the independent directors, and disclosed the composition, responsibilities and operations?	No	The Company hasn't set up other functional committees except for those required by laws.
	2.15 Does the company disclose the separate communication between independent directors, internal audit supervisors and accountants (such as the methods, events and results of communication on the company's financial report and financial business status) on the company's website?	No	The company is not disclosed on the company website.
	2.19 Did the actual board attendance rate of all directors in the evaluation year reach 85% or more?	No	The actual attendance rate of 2021 degrees is 84.12%
	2.21 Has the company appointed any specific person responsible for corporate governance and to provide relevant information on its implementation in annual reports and on the company's website?	No	The company has set up a corporate governance supervisor, but it has not stated the scope of powers, the key points of business execution in the current year and the training situation in the annual report and website.
	2.22 Has the company formulated risk management policies and procedures passed by the board of directors, disclosed the scope, organizational structure operating conditions of risk management?	No	The company has not formulated risk management policies or procedures
	2.23 Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, with the express requirement that an external assessment be carried out at	No	The Company did not assess the performance of the board of directors.

Indicator	Item not qualified to gain points	Improvement	Improved/ To be improved
	least once every three years, and has it furthermore carried out the assessment within the time limit under its rules, and disclosed the implementation status and assessment results on its website or in its annual report?		
	2.24 Does the company establish an information security risk management framework, formulate information security policies and specific management plans, and disclose them on the company's website or annual report?	No	The company did not disclose the information security risk management structure on the website
	2.27 Has the company formulated an intellectual property management plan connected to its operational goals, disclose its implementation on the company's website or annual report, and report to the board of directors at least once a year?	No	The company has not formulated an intellectual property management plan connected to its operational goals
	2.28 Does the company have any provisions for the appointment and removal of internal auditors, appraisal, salary and remuneration, which are reported to the board of directors or signed by the audit supervisor to the chairman of the board, and are disclose them on the company's website?	No	The company has not stipulated the appointment and dismissal, evaluation, remuneration of internal auditors.
	2.30 Did at least one of the company's internal auditors possess a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant?	No	None of the Company's internal auditors possessed a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant.
3. Increasing Information Transparency	3.4 Did the company file its annual financial reports within 2 months from the end of the fiscal year?	No	The Company did not publish its annual financial report within two months as of the end of the fiscal year.
	3.6 Did the company website or MOPS disclose the interim financial reports (including financial statements and notes thereof) in English?	No	Internal and external resources required to prepare interim financial reports in English were not available.
	3.8 Did the company voluntarily disclose its financial forecast quarterly, without having any corrections ordered by the competent authority or having any demerits imposed by the TWSE or TPEX?	No	The Company did not disclose financial forecast quarterly.
	3.10 Has the company's financial report been approved by or submitted to the board of directors 7 days before the announcement period, and the financial report will be announced within 1 day after the date of approval or submission?	No	The company has not been approved by the board of directors or submitted to the board of directors 7 days before the announcement period
	3.13 Did the company's annual report voluntarily disclose the individual remuneration of directors and supervisors?	No	The company did not disclose the individual remuneration of directors and supervisors
	3.14 Does the company's annual report disclose the link between the	No	The company's annual report does not disclose the link between the

Indicator	Item not qualified to gain points	Improvement	Improved/ To be improved
	performance evaluation and remuneration of directors and managers?		performance evaluation and remuneration of directors and managers
	3.16 Does the company website disclose the list of major shareholders, including shareholders with a shareholding ratio of more than 5%, if there are less than ten, should disclose the names of the top ten shareholders, the amount and proportion of shares held?	No	Company website not disclosed
	3.17 Does the company website disclose relevant information including financial, business and corporate governance?	No	Company website information is not yet complete
	3.18 Did the company establish an English website comprising information related to the company's finances, business, and corporate governance?	No	The Company's website did not fully disclose information related to the company's finances, business, and corporate governance.
	3.19 Does the company's website provide relevant information on the shareholders' meeting, including at least the most recent annual report of the shareholders' meeting, notice of the meeting, procedure manual and minutes, etc.?	No	Company website information is not yet complete
	3.20 Did the company attend or voluntarily hold investor conferences at least two times in the year being evaluated, and were the first and last investor conferences in the year held at least 3 months apart?	No	In 2018, the Company held the first investor conference.
	3.21 Did the company's annual report voluntarily disclose the individual remuneration of the general manager and deputy general managers?	No	The company did not disclose the individual remuneration of the general manager and deputy general managers.
4.Implement corporate social responsibility	4.1 Whether the company has set up a dedicated (part-time) unit to promote corporate social responsibility, conduct risk assessments on environmental, social or corporate governance issues related to the company's operations in accordance with the principle of materiality, formulate relevant risk management policies or strategies, and disclose them to the company	No	Matters not mentioned in the company's website and annual report disclosure indicators
	4.2 Did the company set up a full-time (part-time) unit promoting the business integrity management, to be responsible for the formulation and supervising the implementation of integrity management policies and prevention plans, and explain the operation and implementation of the settled unit on the company website and annual report, and report to the board of directors at least once a year?	No	The company has set up part-time units, and has not disclosed the operation and implementation on the company's website.
	4.4 Does the company compile and upload the corporate social responsibility report on the public information observatory and the company website before the end	No	Internal and external resources, which are required to prepare social responsibility report, were not fully

Indicator	Item not qualified to gain points	Improvement	Improved/ To be improved
	of September in accordance with the internationally accepted report preparation guidelines?		available.
	4.5 Has the corporate social responsibility report prepared by the company obtained third-party verification?	No	Internal and external resources, which are required to prepare social responsibility report, were not fully available.
	4.6 Does the company refer to international human rights conventions to formulate human rights protection policies and specific management plans, and disclose them on the company's website or annual report?	No	The company has not formulated relevant policies or programs in accordance with international human rights conventions, but the company's employment and appointment of employees are in compliance with relevant laws and regulations.
	4.10 Do the company's website and annual report disclose the protection measures for employees' personal safety and working environment and their implementation?	No	Failure to disclose on the website and annual report the protection measures for employees' personal safety and working environment and their implementation
	4.11 Has the company disclosed its annual greenhouse gas emissions, water consumption and total waste weight for the past two years?	No	Internal and external resources, which are required to disclose the annual emissions of CO2 or other greenhouse gases, were not fully available.
	4.12 Did the company set management policies for energy conservation, reduction of carbon/greenhouse gas emissions, or other waste/pollutants?	No	The Company did not set management policies for energy conservation, reduction of carbon/greenhouse gas emissions, or other waste/pollutants.
	4.14 Did the company website or annual report disclose the identity of the identified stakeholders, issues of concern, communication channels, and response methods?	No	The company did not disclose the identity of the identified stakeholders, issues of concern, communication channels and response methods.
	4.15 Does the company website or annual report disclose the integrity management policy approved by the board of directors, specify specific practices and plans for preventing dishonest behavior, and explain the implementation?	No	The annual report and website do not disclose the specific methods of implementing the integrity management policy and the plan for preventing dishonest behavior, such as the handling of integrity management education and training or the signing of the annual integrity management statement and other specific measures
	4.17 Does the company website or annual report disclose the integrity management policy approved by the board of directors, specify specific practices and plans for preventing dishonest behavior, and explain the implementation?	No	The Company did not disclose its supplier management policies.

Priority to strengthen matters and measures for those who have not yet improved: The company will give priority to strengthening the requirements for disclosure of various indicators on the company's website

5. If the company has a Remuneration Committee in place, members, duties, and operation of the Remuneration Committee shall be disclosed.

The Company established the Remuneration Committee on June 15, 2015, with all independent directors serving as members of the Remuneration Committee.

(1) Information on members of the Remuneration Committee

position	Qualification Name	Professional qualifications and Experience/ State of independence	Number of the other public companies where the person holds the title as independent director concurrently
Independent director/conve ner	Liou, Cheng-Hwai	Please refer to pages 9 to 15 (1) Information of directors	2
Independent director	Hsu, Ching-Tao		1
Independent director	Yeh, Chih-Ming		1

(2) Remuneration Committee Meeting Status

- a. There are three members in total in the Company's Remuneration Committee.
- b. The term of the Remuneration Committee members: August 23 2021 to August 23 2024. The Remuneration Committee held two meetings in the most recent year.

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Note
Convener	Liou, Cheng-Hwai	2	0	100%	August 23,2021 Re-elected
Commissioner	Hsu, Ching-Tao	2	0	100%	August 23,2021 Re-elected
Commissioner	Yeh, Chih-Ming	2	0	100%	August 23,2021 Re-elected

- c. Other matters are required to be recorded:
 - i. If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it is necessary to specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

Meeting Date	Session	Proposal	Independent Directors' opinions	Company's response to the remuneration committee's opinion
March 16 2021	The 6 th Meeting during the 2 th Board	The proposal of remuneration distributed to the employees and directors in 2020	None	N/A
		Review on the performance evaluation of directors, independent directors and managers; and the proposal of the remuneration policies, systems, standards and structures		
		Check form of remuneration for managers in 2020		
		Report on the performance evaluation of the directors and the Board reviewed by the Remuneration Committee		
December 28 2021	The 1 th Meeting during the 3 th Board	The proposal of 2021 year-end bonus distribution	None	N/A
		Salary and remuneration of newly appointed managers of the company		

Meeting Date	Session	Proposal	Independent Directors' opinions	Company's response to the remuneration committee's opinion
March 29 2022	The 2 th Meeting during the 3 th Board	The proposal of remuneration distributed to the employees and directors in 2021	None	N/A
		Review on the performance evaluation of directors, independent directors and managers; and the proposal of the remuneration policies, systems, standards and structures		
		Check form of remuneration for managers in 2021		
		Report on the performance evaluation of the directors and the Board reviewed by the Remuneration Committee		
		The proposal of the adjusted remuneration paid to managers based on a monthly basis in 2022		
		Appointment of Head of Corporate Governance of the Company		

ii. If a member of the Remuneration Committee had a recorded or otherwise written dissenting opinion or qualified opinion on resolutions made by the Remuneration Committee, it is necessary to specify the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinions: None.

iii. Scope of authorization

(1) The Company passed the "Remuneration Committee Charters" in the board meeting held on June 8, 2015. Its responsibilities include fulfilling the responsibilities and powers stipulated in the "Remuneration Committee Charters" by exercising the due care of a good administrator, and submitting the proposals to the Board for discussion.

(2) Stipulate and regularly conduct performance evaluation, remuneration policies, systems, criteria and structure for directors, audit committee members and managers

(3) According to the Company's "Remuneration Committee Charters", the convening of the committee meeting shall specify the reason for convening, notify the committee members seven days in advance, which could be done in an electronic way.

6. If the company has set up a nomination committee, its composition, responsibilities and operations should be disclosed

The company has not set up a nomination committee.

7. Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Assessment Item	Implementation Status			Non-implementation of the” Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and its reasons
	Yes	No	Summary	
1. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the Board of Directors and is supervised by the Board of Directors?	V		The operation management office of the company is the responsible unit for promoting corporate governance. Lin Shang Wei, the general manager of Changchun Engley Automobile Industry Co., Ltd., serves as the convener. It is responsible for formulating and reviewing sustainable development policies, systems or related management guidelines and regularly reporting to the board of directors of the group.	No Significant Difference
2. Did the company assess the risk of environmental, social, and governance (ESG) issues in relation to company operations based on the materiality principles and establish policies or strategies in relation to risk management?	V		The Company has formulated the "Sustainable Development Code of Practice" to promote the balance and sustainable development of economy, society and environment.	No Significant Difference
3. Developing Sustainable Environment				
(1) Does the Company establish proper environmental management systems based on the characteristics of its businesses?	V		(1) The Company has received a number of certifications, including ISO and OHSAS. For quality management, occupational health and safety and environment protection.	No Significant Difference
(2) Whether the company is committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		(2) The Company continues improving resource efficiency and the reuse of renewable materials.	No Significant Difference
(3) Does the Company evaluate the current and future potential risks and opportunities brought by the climate change, and take measure to respond to the climate related issues?	V		(3) The Company has already monitored the impacts of climate, and summed up the waste discharge of each subsidiary. Moreover, it keeps inspection on oil consumption of the equipment.	No Significant Difference
(4) Does the company calculate the greenhouse gases (GHG) emission, water consumption and total weight of wastes for the past two years, and formulated the strategies for energy conservation, carbon reduction, GHG emission reduction, water saving and management of other wastes?	V		(4) The Company has formulated relevant management regulations such as air pollutants control procedures, water resource control procedures, wastewater management & control procedures and solid waste control procedures. Moreover, it has passed ISO14001 environmental system certification, calculated and monitored the energy conservation and carbon reduction benefits of each subsidiary .	No Significant Difference

Assessment Item	Implementation Status			Non-implementation of the” Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and its reasons
	Yes	No	Summary	
4.Social issues				
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1) Given that labor rights are recognized internationally as human rights, subject to relevant labor laws and regulations the Company has established management regulations and systems to protect employees’ vested rights and prevent any misconduct, which may impair labor rights. The Company also makes the effort to ensure availability of these applicable laws and regulations to its employees through public communication channels. Furthermore, for the purpose of giving back to society, the Company regularly makes financial contributions to social welfare organizations,the “Love Surrounding the First Skin Graft Foundation” and the “Taiwan Found for Children and Families” for example.	No Significant Difference
(2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfares), and reflect the operating performance or achievement in the compensation of the employees properly?	V		(2) The Company establishes the related management regulations such as the Payroll & Welfare Management Regulations, Performance Management Regulations, Staff Development and Promotion Management Regulations.	No Significant Difference
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		(3)The Company from time to time organizes various activities from benefiting employees’ physical health and mental wellbeing, including sport day events and hiking activities. The Company also offers subsidies for marriage, childbirth and funerals.	No Significant Difference
(4) Has the Company established effective career development training plans?	V		(4) The Company providescompetency-based trainings foremployees and organizes externaltraining courses from time to time to develop employees’ skills required by their roles.	No Significant Difference No Significant Difference
(5) Does the Company follow regulations and international standards in the customer health, safety, customer privacy, marketing and labeling of its products and services, and set polices and appeal procedures for protection of consumer’s and client’s rights and interests?	V		(5) The Company provides consumers with effective communication channels, for example a hotline and website, to enable consumers to make inquiries through a transparent and effect procedure of handling consumer complaints.	No Significant Difference
(6) Does the Company formulate the supplier management policies and require suppliers to follow relevant norms on	V		(6) The Company formulates the supplier management policies	

Assessment Item	Implementation Status			Non-implementation of the” Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and its reasons
	Yes	No	Summary	
environmental protection, occupational safety and health, or labor’s human rights, and disclose the implementation?			and conduct overall evaluation and appraisal for the suppliers.	
5. Did the company refer to the internationally accepted standards or guidelines for the preparation of reports to prepare Sustainability Report and other reports that expose the company's non-financial information? Has the disclosure report obtained the assurance or assurance opinion of the third-party verification unit?	V		Depending on the actual situation in the future, the company will refer to the internationally accepted report preparation standards or guidelines, prepare Sustainability Reports and other reports that disclose the company's non-financial information, and obtain confirmation or guarantee opinions from third-party verification units.	The Company currently committee itself to Sustainability Report in accordance with applicable law and regulations. The Company may draft relevant principles depending on circumstances in the future.
6. If the company has established its Sustainable Development best practice principles according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the operational status and differences: The Company has established the Sustainable Development Best Practice Principles”according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”. There is no significant difference between the Principles and the implementation of the Principles.				
7. Other important information to facilitate better understanding of the company’s implementation of Sustainable Development: The Company has applicable management regulations on employee benefits and suppliers’ relationship in place. In terms of employee benefits, the Company set up an Employee Benefits Committee. The Company also has effective communication channels with banks, creditors, clients and suppliers.				

8. The state of the company's performance in the area of good faith

Assessment Item	Implementation Status			Non-implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed Companies"
	Yes	No	Summary	
1. Establishment of Corporate Ethics Principles and Implementation Programs (1) Does the Company have its regulations and publicly available documents addressing its corporate ethics principles and programs, and the commitment regarding implementation of such programs from the Board of Directors and the management team?	V		(1) The Company has established the "Corporate Ethics Principles" and the "Procedure of Implementing Corporate Ethics and Guidelines for Conduct" (hereinafter collectively referred to as "Code of Ethics"). The Company's staff and members of Board of Directors shall believe in the Code of Ethics and put it into practice, and then ensure strict compliance in respect of internal management and external commercial activities.	No Significant Difference
(2) If the company has established a risk assessment mechanism for dishonest conducts, regularly analyzed and evaluated business activities with higher risk of dishonest conduct in the business scope, and formulated a plan to prevent dishonest conduct according to the mechanism, and at least covered the preventive measures for each of the acts in paragraph 2 of Article 7 of the "Code of Integrity Management of Listed OTC Companies" ?	V		(2) The Company's staff and members of Board of Directors fully comply with the Code of Ethics. In doing so, it is not necessary to establish relevant programs, which aim to prevent unethical conduct, and covered the preventive measures for each of the acts in paragraph 2 of Article 7 of the "Code of Integrity Management of Listed OTC Companies"	No Significant Difference
(3) Does the company establish appropriate preventive measures for the business activities prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" or any other such activities associated with high risk of unethical conduct, and regularly review the plan before the amendment?	V		(3) It is not necessary to establish relevant programs, which aim to prevent unethical conduct. The Code of Ethics sets forth anti-bribery, corruption and illegal political contributions.	No Significant Difference
2. Ethic Management Practice (1) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(1) Adopting "Corporate Ethics Principles" and the "Procedure of Implementing Corporate Ethics and Guidelines for Conduct" for the purpose of creating an ethical business culture and preventing Directors and managers from engaging in unethical conduct. These relevant regulations also avoid conflicts of interest and provide appropriate channels for Directors and managers to explain their personal interests, which may potentially conflict with the Company. Furthermore, the Company's relevant staff is prohibited from entering into contract with any unethical supplier, client or entities having business relationship with the Company. Once any unethical conduct is found by the Company, the business relation with such abusive partner or counterpart involving in the unethical conduct should be terminated. To follow the Code of Ethics,	No Significant Difference

Assessment Item	Implementation Status			Non-implementation of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx listed Companies”
	Yes	No	Summary	
(2) Does the company set up a dedicated (part-time) unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans for preventing dishonest conducts and monitoring implementation?	V		the business partner or counterpart will be placed on a blacklist. (2) The Company appointed the Audit Department as the responsible unit, which is in charge of revising, enforcing, interpreting the Procedure and Guidelines for Conduct, and registry of consultation and reporting. The Audit Department shall regularly report its work on monitoring of corporate ethics management to the Board of Directors.	No Significant Difference
(3) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(3) The Company has built an effective accounting system, internal control system and auditing system. These systems are required to be reviewed and revised to meet updated legal requirements and practical needs. The Company also conducts regular internal audit to ensure effectiveness of such systems and their implementation and then achieve the goal of corporate governance, risk management and ethics in operations.	No Significant Difference
(4) Does the company establish an effective accounting system and internal control system for the implementation of honest operation, and the internal audit unit draw up relevant audit plans based on the assessment results of the dishonest conducts risks, and according to the compliance status of the plan to audit and prevent dishonest conducts, or entrust an CPA to perform the audit?	V		(4) For activities with high risk of unethical conduct, the Company has built an effective accounting system, internal control system and auditing system. These systems are required to be reviewed and revised from time to time to ensure effectiveness of such systems and their implementation. In addition, internal auditors conduct regular auditing activities to assess compliance performance and submit auditing reports to the Board of Directors.	No Significant Difference
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The Company organized meetings in relation to ethical corporate where it is appropriate.	No Significant Difference
3. Implementation of Complaint Procedures				
(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(1) The Company provides an effective channel to receive and respond to employees' complaints by the specified department and staff. Complainants' identity information and substance of complaints are required to be kept confidential.	No Significant Difference
(2) Does the company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	V		(2) The Company's responsible person will look into complaints and then report the assessment to his/her direct supervisor. The confidentiality will be maintained thoroughly in the process.	No Significant Difference
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		(3) To protect complaints, the confidentiality will be maintained thoroughly in the process.	No Significant Difference
4. Information Disclosure Does the company disclose its corporate ethics principles as well as information on implementation of such principles on its website and Market Observation Post System (“MOPS”)?	V		The Company has set up its website. In the future, the Company will improve its website depending on its needs and disclose ethics-related information on the website.	No Significant Difference
5. If the company has established its “Corporate Ethics Principles” according to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx listed Companies”, please describe				

Assessment Item	Implementation Status			Non-implementation of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed Companies”
	Yes	No	Summary	
the operational status and differences: The Board meeting on June 8 2015 approved the “Procedure of Implementing Corporate Ethics and Guidelines for Conduct” and submitted to the Shareholders’ meeting on June 15 2015 for further implementation and compliance of the Principles.				
6. Other important information to facilitate better understanding of business ethics (e.g., review and revise the “Corporate Ethics Principles”): During the course of trade and business with other firms, on the basis Company’s core value - “compliance of corporate ethics principles”, it will promote the Company’s principles to the relevant firms and enhance employees’ awareness.				



9. If the company has adopted corporate governance best practice principles or related bylaws, the access of relevant information should be disclosed to the public:

The Company has established a number of regulations, for example “Corporate Governance Practices”, “Corporate Social Responsibility Best Practice Principles”, “Rules Governing the Scope of Powers of Independent Directors”, “Corporate Ethics Principles”, “Procedure of Implementing Corporate Ethics and Guidelines for Conduct”, “Rules of Procedure for Shareholders Meetings”, “Rules of Procedure for Meetings of the Board of Directors”, “Organization Regulations of the Audit Committee” and “Election Regulations of Directors”. The Company has carried out these regulations relating to corporate governance based on spirit of corporate governance. When the Company goes public, its information on corporate governance status is available on its official website. The Company’s website: www.engley.com.

10. Other important information to facilitate better understanding of the company’s implementation of corporate governance can be disclosed:
None

11. Enforcement of internal control system

(1) Declaration of Internal Control System

開曼英利工業股份有限公司 內部控制制度聲明書	
日期：111年03月29日	
本公司民國110年度之內部控制制度，依據自行評估的結果，謹聲明如下：	
一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。	
二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。	
三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1. 控制環境，2. 風險評估，3. 控制作業，4. 資訊與溝通，及5. 監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。	
四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。	
五、本公司基於前項評估結果，認為本公司於民國110年12月31日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。	
六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。	
七、本聲明書業經本公司民國111年03月29日董事會通過，出席董事7人中，有0人持反對意見，餘均同意本聲明書之內容，併此聲明。	
For and on behalf of Authorized Signature(s) 開曼英利工業股份有限公司	
董事長：	 簽章
總經理：	 簽章

(2). If the internal control system was reviewed by an external CPA, the result of such review must be disclosed.

12. For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, any sanctions imposed in accordance with applicable laws upon the Company or its internal staff, any sanctions imposed by the Company upon its internal staff for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements need to be disclosed: None
13. For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, major resolutions of shareholders' meetings and board meetings are as follows:

(1) Shareholders' Meeting

The Date of the Shareholders' Meeting	Major Resolutions
Annual Shareholders' Meeting on August 23 2021	1. Adoption of 2020 Business Report and Financial Statements.
	2. Adoption of the Proposed Distribution of 2020 Earnings.
	3. Amendment to the "Regulations Governing Loaning of Funds"
	4. Amendment to the "Regulations Governing Marking of Endorsements and Guarantees"
	5. Amendment to the "PROCEDURAL RULES OF GENERAL MEETINGS"
	6. Re-election of directors
	7. Discussion to approve the lifting of non-competition restrictions for directors.

2021 Annual Shareholders' Meeting approved the following resolutions:

- a. Adoption of 2020 Business Report and Financial Statements:
Resolution: Approved.
- b. Adoption of the Proposed Distribution of 2020 Earnings:
Resolution: Approved. The Company's 2019 annual shareholder cash dividend will be distributed NT\$218,312,950, or NT\$1.85 per share. The chairman of the board has been authorized by the resolution of the shareholders' meeting to decide that the ex-dividend base date is October 2, 2021, and the dividend distribution date is October 29, 2021. It has been announced on the MOPS.
- c. Amendment to the "Regulations Governing Loaning of Funds":
Resolution: Approved and handled in accordance with the revised procedures.
- d. Amendment to the "Regulations Governing Marking of Endorsements and Guarantees"
Resolution: Approved and handled in accordance with the revised procedures.
- e. Amendment to the "PROCEDURAL RULES OF GENERAL MEETINGS":
Resolution: Approved and handled in accordance with the revised procedures.
- f. Re-election of directors:
Resolution: The company has elected a total of seven directors, and the list of candidates is as follows: Director: Honghan Industrail Co.,Ltd. Representative: Lin, Chi-Pin, Director: Top-Gain Enterprises Ltd. Representative: Chen, Jung-Juan, Director: BroadLight Consultants Ltd. Representative: Lin, Chun-Pang, Director: Tsai, Meng-Han, Independent Director: Liou, Cheng-Hwai, Independent Director: Hsu, Ching-Tao and Independent Director:MOPS.

g. Discussion to approve the lifting of non-competition restrictions for directors:

Resolution: Approved and announced on the Public Information Observatory. The list of non-competition restrictions for directors is as follows :

	Directors and Independent Director	Current Positions at the Company and Other Companies
1.	Honghan Industrail Co.,Ltd. Representative: Lin, Chi-Pin	1.Chairman, Changchun Engley Automobile Industry Co., Ltd. 2.Chairman, Changchun Engley Auto Parts Co., Ltd. 3.Exectuive Director, Foshan Engley Auto Part Co., Ltd. 4.Executive Director, Tianjin Engley Manufacturing Co., Ltd. 5.Vice Chairman, Constellium Engley (Changchun) Automotive Structures Co., Ltd. 6.Chairman, Changchun CECK Auto. Parts Co.,Ltd. 7.Executive Director&General Manager, Changchun Hongyun Cloud Computing Technology 8.Chairman, Linde+Engley (Tianjin) Auto Parts Co., Ltd. 9.Director, Honghan Industrial Co., Ltd. 、Bright Success Inc.
2.	Top-Gain Enterprises Ltd. Representative: Chen, Jung-Juan	1.Director, Suzhou Engley Auto Part Co., Ltd. 2.Changchun Hongyun Cloud Computing Technology
3.	BroadLight Consultants Ltd. Representative: Lin, Chun-Pang	Deputy General Manager, Changchun Engley Automobile Industry Co., Ltd.
4.	Liou, Cheng-Hwai	Independent Director,HOTA INDUSTRIAL MFG. CO., LTD.

(2) Board Meetings

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
March 16 2021	The 25th Meeting during the 4th Board	Proposal of 2020 remuneration distribution for employees, directors, and supervisors	Agree	N/A	YES
		Reviewed the proposal of the performance evaluation, remuneration policies, systems, criteria and structure for directors, independent directors and managers			
		2019 manager remuneration checklist			
		Report on the performance evaluation of the directors and the Board reviewed by			

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
		the Remuneration Committee 2020 Operation Report and Final Accounts 2020 Profit Distribution Plan The proposal of Statement of Internal Control System during January 1~December 31, 2020 Proposal of amendments to "Rule of Procedure of Shareholder's Meeting" Proposal of amendments to "The process of preparing financial report" Approval of the proposal that the subsidiary Changchun Engley Automobile Industry Co., Ltd. (hereinafter referred to as "Engley Automobile") presented a Letter of Commitment The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))			
March 23 2021	The 26th Meeting during the 4th Board	The company's simplified consolidated financial forecast for the first quarter of 2021	Agree	N/A	YES
May 11 2021	The 27th Meeting during the 4th Board	Amendments to the "Procedures for Ethical Management and Guidelines for Conduct". View the Group's disguised financing situation of current quarter The Company provided a guarantee to Tianjin Engley Manufacturing Co., Ltd. (hereinafter referred to as Tianjin Engley) The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley) The Company provided a guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi) The Company provided a guarantee to Taizhou Maoqi Metal Co., Ltd. (hereinafter referred to as Taizhou Maoqi) The Company provided a guarantee to Suzhou Engley Auto Part Co., Ltd. (hereinafter referred to as Suzhou Engley) Foshan Engley Auto Part Co., Ltd. plans to build a new automated production line	Agree	N/A	YES
July 20 2021	The 28th Meeting during the 4th Board	The company intends to apply to SINOPAC Bank for a joint credit extension of US\$60 million For the company to handle the raising and issuance of the third unsecured conversion of corporate bonds in the Republic of China Amendment to the expected benefit of the Company's first unsecured conversion of corporate bonds in the Republic of China The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))	Agree	N/A	YES
August 27	The 2nd	Appointment of members of the	Agree	N/A	YES

Meeting Date	Session	Proposal	Independent Directors' opinions	Responses to Independent Directors' opinions	At least one Independent Director Attend in person
2021	Meeting during the 5th Board	Compensation Committee			
		Appointment of General Manager			
		Amendments to the "Group Approval Authority Table".			
		The Company provided a guarantee to Tsingtao Engley Auto Part Co., Ltd. (hereinafter referred to as Tsingtao Engley)			
		The Company provided a guarantee to Ningbo Maoxiang Material Co., Ltd. (China) (hereinafter referred to as Ningbo Maoxiang)			
October 15 2021	The 3rd Meeting during the 5th Board	Proposal of lending capitals to the subsidiary - Kranendonk Beheersmaatschappij B.V.	Agree	N/A	YES
November 9 2021	The 4th Meeting during the 5th Board	Disposal of land use rights and housing construction of Ningbo Maoxiang Material Co., Ltd.	Agree	N/A	YES
December 28 2021	The 5th Meeting during the 5th Board	Proposal of 2022 Annual Budget and Operation Plan	Agree	N/A	YES
		Proposal of 2022 Annual Internal Audit Plan			
		The Company's Accounting Supervisor, Financial Supervisor Appointment and Salary Remuneration			
		The proposal of 2021 year-end bonus distribution			
March 29 2022	The 6th Meeting during the 5th Board	Proposal of 2021 remuneration distribution for employees, directors, and supervisors	Agree	N/A	YES
		Reviewed the proposal of the performance evaluation, remuneration policies, systems, criteria and structure for directors, independent directors and managers			
		2021 manager remuneration checklist			
		Report on the performance evaluation of the directors and the Board reviewed by the Remuneration Committee			
		The proposal of the adjusted remuneration paid to managers based on a monthly basis in 2022			
		2021 Operation Report and Final Accounts			
		2021 Profit Distribution Plan			
		The proposal of Statement of Internal Control System during January 1~December 31, 2021			
		The Company provided a guarantee to Linde+Engley (Tianjin) Auto Parts Co., Ltd. (hereinafter referred to as Linde+Engley (Tianjin))			
		Amendment to the "Company's Articles of Association"			
		Amendment to the "Regulations Governing the Acquisition and Disposal of Assets"			
		Amendment to the "Corporate Social Responsibility Code of Practice"			
		Amendment to the "PROCEDURAL RULES OF GENERAL MEETINGS" and "Code of Practice on Corporate Governance"			

14. Any Director or Supervisor had a Recorded or Otherwise Written Dissenting Opinion on Major Resolutions made by the Board of Directors in the Most Recent Year and as of the

Date of Publication of the Annual Report

None

15. Resignation or Dismissal of Chairman, General Manager, and heads of Accounting, Finance, Internal Audit and R&D in the Most Recent Year and as of the Date of Publication of the Annual Report

Summary of Resignation and Dismissal of Relevant Persons of the Company

Tob title	Name	Appointment date	Dismissal Date	Reason for resignation or dismissal
CFO (Accounting Officer / Financial officer/ Corporate governance officer)	Yang Cheng Feng	2015/06/10	2021/08/26	Job adjustment due to health factors
Financial Manager (Accounting Officer / Financial officer)	Lin Chiu Ching	2021/08/26	2021/12/28	Job adjustment
Financial Manager (Corporate governance officer)	Lin Chiu Ching	2021/08/26	2022/03/29	Job adjustment

E. Accountant Fees

Unit: NTD1,000

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-Audit Fee	Total	Remark
PricewaterhouseCoopers Taiwan	LIU, MEI-LAN	2021.01.01~2021.12.31	8,427	2,653	11,080	
	Hsu, Chien-Yeh					

Please specify the content of non-audit public services: mainly for industrial and commercial registration and certification application services.

If the public audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction of public audit fee shall be disclosed : The audit fee in 2020 was 12,663 thousand, and in 2021 it decreased by 4,236 thousand (a decrease of 33.5%), mainly due to the fact that Changchun Engley Automobile Industry Co., Ltd., an important subsidiary of the Company, will be listed on the Shanghai Stock Exchange in 2021, and the reinvestment is not important The financial statements of the subsidiaries are based on the results of the audit conducted by PwC United Certified Public Accountants in the Mainland China PricewaterhouseCoopers, so the audit fees will be reduced in 2021.

F. Information on Replacement of CPAs

None

- G. The **Company's** Chairman, General Manager, Managers in Charge of its Finance and Accounting Operations did not hold any positions within the Company's Independent Audit Firm or Its Affiliates in the Past Year

None

- H. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual

report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, and ten-percent shareholders, and the number of shares transferred or pledged

Title	Name	2021		Current year to April 30, 2022	
		Net Change in Shareholding	Net Change in Equity Pledge	Net Change in Shareholding	Net Change in Equity Pledge
Chairman& Majority Shareholder	Honghan Industrial Co., Ltd. Representative: Lin, Chi-Pin	—	—	—	—
Director	Top-Gain Enterprises Ltd. Representative: Chen, Jung-Juan	—	—	—	—
Director	Broad Light Consultants Ltd. Representative: Lin, Chun-Pang	—	—	—	—
Director	Tsai, Meng-Han	—	—	—	—
Independent Director	Liou, Cheng-Hwai	—	—	—	—
Independent Director	Yeh, Chih-Ming	—	—	—	—
Independent Director	Hsu, Ching-Tao	—	—	—	—
General Manager	Lin, Chi-Pin	—	—	—	—
Executive Assistant to Chairman and CFO	Yang, Cheng-Feng(Note 1)	—	—	—	—
Financial Manager	Lin Chiu Ching(Note 2)	—	—	—	—
Financial Manager	Huang Sheng-Wen(Note 3)	—	—	—	—
Note 1 : Yang, Cheng-Feng dismissal on August 26, 2021.					
Note 2 : Lin Chiu-Ching appointed on August 26, 2021.					
Note 3 : Huang Sheng-Wen appointed on December 28, 2021.					

I. Information about any one of the top 10 shareholders who is the interested party to, or has marriage relationship with and is a relative within the second degree of kinship of another

April 26, 2022; Unit: 1, 000 shares; %

Name	Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Any one of the top 10 shareholders who is the interested party to, or has marriage relationship with and is a relative within the second degree of kinship of another	Remark
	Shares	%	Shares	%	Shares	%		
Honghan Industrial Co., Ltd. Representative: Lin, Chi-Pin	26,100	22.09	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Bright Success Inc. Able Well International Limited Able Gain Investment Limited Double Luck Investment Limited	Same representative Same representative Same representative Same representative Same representative Same representative

Name	Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Any one of the top 10 shareholders who is the interested party to, or has marriage relationship with and is a relative within the second degree of kinship of another		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
							Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative	
BroadLight Consultants Ltd. Representative: Lin, Chi-Pin	10,000	8.47	—	—	—	—	Honghan Industrial Co., Ltd. Top-Gain Enterprises Ltd. Bright Success Inc. Able Well International Limited Able Gain Investment Limited. Double Luck Investment Limited Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Top-Gain Enterprises Ltd. Representative: Lin, Chi-Pin	10,000	8.47	—	—	—	—	Honghan Industrial Co., Ltd. BroadLight Consultants Ltd. Bright Success Inc. Able Well International Limited Able Gain Investment Limited. Double Luck Investment Limited Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Bright Success Inc. Representative: Lin, Chi-Pin	9,000	7.62	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Able Well International Limited. Able Gain Investment Limited Double Luck Investment Limited. Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Able Well International Limited Representative: Lin, Chi-Pin	9,000	7.62	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Bright Success Inc. Able Gain Investment Limited Double Luck Investment Limited Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Able Gain Investment Limited Representative: Lin, Chi-Pin	7,995	6.77	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Bright Success Inc. Able Well International Limited Double Luck Investment Limited. Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Double Luck Investment Limited	5,120	4.33	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Bright Success Inc.	Same representative Same representative Same representative Same representative	—

Name	Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Any one of the top 10 shareholders who is the interested party to, or has marriage relationship with and is a relative within the second degree of kinship of another		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Representative: Lin, Chi-Pin							Able Well International Limited Able Gain Investment Limited Superb Goal Ventures Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative	
Superb Goal Ventures Limited Representative: Lin, Chi-Pin	5,120	4.33	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Bright Success Inc. Able Well International Limited Able Gain Investment Limited Double Luck Investment Limited Jade Profit Company Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Jade Profit Company Limited Representative: Lin, Chi-Pin	5,120	4.33	—	—	—	—	BroadLight Consultants Ltd. Top-Gain Enterprises Ltd. Honghan Industrial Co., Ltd. Bright Success Inc. Able Well International Limited Able Gain Investment Limited Double Luck Investment Limited Superb Goal Ventures Limited	Same representative Same representative Same representative Same representative Same representative Same representative Same representative Same representative	—
Taiwan Life Insurance Co., Ltd. Representative: HUANG, SU-KUO	1,662	1.41	—	—	—	—	—	—	—

J. The shares of the same re-invested enterprise held respectively by the Company, its Directors and Supervisors, managers, and any companies controlled directly or indirectly by the Company, and the combined percentage of shares held by such entities and persons

Unit: 1,000 shares /%; December 31 2021

Re-invested Enterprise	Ownership by TSMC		Ownership by Directors, Managers and Directly/Indirectly Owned Companies		Total Ownership	
	Shares	%	Shares	%	Shares	%
Changchun Engley Automobile Industry Co., Ltd.	1,298,704	86.91%	—	—	1,298,704	86.91%
Engley Automobile Industry Co., Ltd	Note2	100%	—	—	Note2	100%
Engley Holding (Samoa) Limited	16,000	80%	4,000	20%	20,000	80%
Changchun Engley Auto Parts Co., Ltd.	Note2	100%	—	—	Note2	86.91%
Chengdu Engley Auto part Co.,	Note2	100%	—	—	Note2	86.91%
Suzhou Engley Auto Part Co., Ltd.	Note2	100%	—	—	Note2	86.91%
Liaoning Engley Auto Part Co., Ltd.	Note2	100%	—	—	Note2	86.91%

Re-invested Enterprise	Ownership by TSMC		Ownership by Directors, Managers and Directly/Indirectly Owned Companies		Total Ownership	
	Shares	%	Shares	%	Shares	%
Changchun Lightweight Technology Co., Ltd.	Note2	100%	—	—	Note2	86.91%
Changsha Engley Auto Part Co., Ltd.	Note2	100%	—	—	Note2	86.91%
Yizheng Engley Auto Part Co., Ltd.	Note2・Note3	100%	—	—	Note2、Note3	86.91%
Foshan Engley Auto Part Co., Ltd.	Note2・Note4	100%	—	—	Note2、Note4	86.91%
Tsingtao Engley Auto Part Co., Ltd.	Note2	100%	—	—	Note2	86.91%
Linde+Engley (Tianjin) Auto Parts Co., Ltd.	Note2	54%	—	—	Note2	46.93%
Linde+Engley (Changchun) Auto Parts Co.,	Note2	54%	—	—	Note2	46.93%
Tianjin Engley Manufacturing Co., Ltd.	Note2・Note5	100%	—	—	Note2、Note5	86.91%
Ningbo Maoxiang Material Co., Ltd.	Note2	51%	—	—	Note2	44.32%
Taizhou Maoqi Metal Co., Ltd.	Note1・Note2	51%	—	—	Note1、Note2	44.32%
Jilin Jinli Auto part Co., Ltd.	Note1・Note2	23%	—	—	Note1、Note2	19.99%
Chengdu Youli Auto part Co., Ltd.	Note1・Note2	20%	—	—	Note1、Note2	17.38%
Honley Auto. Parts Co.,Ltd	86,000	36.63%	—	—	86,000	31.84%
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Note1・Note2	46%	—	—	Note1、Note2	39.98%
CECK Holdings Co., Limited(Note 6)	11,500 Note 1	36.63%	—	—	11,500 Note 1	31.84%
Changchun CECK Auto. Parts Co.,Ltd. (Note 6)	Note1・Note2	46.81%	—	—	Note1、Note2	40.68%
Chongqing HC&C Auto Parts Co., Ltd (Note 6)	Note2	20.15%	—	—	Note2	17.51%
Engley Precision Industry B.V.	0.484	87.90%	0.121	12.1%	0.605	100.00%
Kranendonk Beheersmaatschappij B.V.	Note2	90.925%	Note2	9.075%	Note2	100.00%
Zhejiang Sanse Mold Technology Co., Ltd	Note1・Note2	20%	—	—	Note1、Note2	17.38%
Ningbo Engley Automobile Industry Co.,Ltd	Note2	100%	—	—	Note2	86.91%
Wiser Decision Holding Company Limited	3,500	100%	—	—	3,500	86.91%
Chi Rui (Cayman) Holding Limited	44,200	12.17%	—	—	44,200	10.58%

Note 1 : The Company uses equity method to make investment.

Note 2 : Limited Liability Company cannot issue stock.

Note 3 : Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Auto Part Co., Ltd. jointly own 100% of shares of Yizheng Engley Auto Part Co., Ltd.

Note 4 : Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Auto Part Co., Ltd. jointly own 100% of shares of Foshan Engley Auto Part Co., Ltd.

Note 5 : Changchun Engley Automobile Industry Co., Ltd. and Suzhou Engley Auto Part Co., Ltd. jointly own 100% of shares of Tianjin Engley Manufacturing Co., Ltd.

Note 6 : Honley Auto. Parts Co.,Ltd reinvests in Changchun CECK Auto. Parts Co.,Ltd. and Chongqing HC&C Auto Parts Co., Ltd through CECK Holdings Co., Limited.

IV Capital Raising

A. Capital and Shares

1. Source of Capital

(1) Capitalization

Month/Year	Issue Price	Approved Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2015/01/16	NTD\$10	1	10	—	—	Capital stock for establishment of the Company	—	None
2015/05/05	NTD\$10	300,000,000	3,000,000,000	100,000,000	1,000,000,000	Stock Swap	—	
2016/01/25	NTD\$147	300,000,000	3,000,000,000	110,000,000	1,100,000,000	Note 1	—	
2018/08/10	NTD\$147	300,000,000	3,000,000,000	119,000,000	1,190,000,000	Capital increase for cash by issuing new shares	—	
2019/03/04	-	300,000,000	3,000,000,000	118,007,000	1,180,070,000	Retirement of treasury stock	—	
2022/02/15	NTD\$67	300,000,000	3,000,000,000	118,132,372	1,181,323,720	Note 2		

Note1: The first capital increase for cash by issuing 10,000,000 new shares was approved by Tai-zheng-shang (2) tzu No. 1041706472 on December 30, 2015.

Note2: Engley-3 KY convertible corporate bonds converted into ordinary shares to increase capital by NT 1,253,720.

(2) Type of Stock

Unit: Share

Type of Stock	Approved Capital			Remark
	Issued Shares	Unissued Shares	Total	
Common Stock	118,132,372	181,867,628	300,000,000	

2. Composition of Shareholders

April 26, 2022

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Natural Persons	Foreign Institutions and Foreigners	Total
Quantity						
Number of Shareholders	-	8	27	2,926	50	3,011
Shareholding	-	4,284,616	3,142,952	21,519,788	89,185,016	118,132,372
Holding Percentage (%)	-	3.62%	2.66%	18.22%	75.49%	100%

Note: Mainland investors holds 0% of shares.

3. Distribution Profile of Share Ownership

Face value per share is NT\$10 ; April 26, 2022

Shareholder Ownership (Unit: Share)	Number of Shareholders	Ownership	Ownership Percentage
1 - 999	360	47,362	0.04
1,000 - 5,000	2,034	3,756,067	3.18
5,001 - 10,000	254	1,973,896	1.67
10,001 - 15,000	93	1,179,940	1.00
15,001 - 20,000	50	906,934	0.77
20,001 - 30,000	62	1,557,860	1.32
30,001 - 40,000	34	1,212,648	1.03
40,001 - 50,000	23	1,064,315	0.90
50,001 - 100,000	44	3,170,344	2.68
100,001 - 200,000	23	3,320,663	2.81
200,001 - 400,000	16	4,367,108	3.70
400,001 - 600,000	2	905,995	0.77
600,001 - 800,000	1	621,000	0.53
800,001 - 1,000,000	3	2,769,889	2.34
1,000,001 - 5,000,000	3	3,823,099	3.23
5,000,001 - 10,000,000	8	61,355,252	51.94
Over 10,000,001	1	26,100,000	22.09
Total	3,011	118,132,372	100.00

4. Major Shareholders

Name, number of shares and ownership percentage of shareholders with more than 5% of shares, or the top ten shareholders

April 26, 2022; Unit: Share

Name of Major Shareholders	Shares	Registered country	Number of Shares	Ownership Percentage
Honghan Industrial Co., Ltd.		Samoa	26,100,000	22.09%
BroadLight Consultants Ltd.		Samoa	10,000,000	8.47%
Top-Gain Enterprises Ltd.		Samoa	10,000,000	8.47%
Bright Success Inc.		Samoa	9,000,000	7.62%
Able Well International Limited		Samoa	9,000,000	7.62%
Able Gain Investment Limited		Samoa	7,995,252	6.77%
Double Luck Investment Limited		Samoa	5,120,000	4.33%
Superb Goal Ventures Limited		Samoa	5,120,000	4.33%
Jade Profit Company Limited		Samoa	5,120,000	4.33%
Taiwan Life Insurance Co., Ltd.		R.O.C	1,662,099	1.41%

5. Market Price, Net Worth, Earnings and Dividends Per Share and related information in the past two years

Unit: NT\$; Thousand Shares

Item \ Year		2020	2021
Market Price Per Share	Highest Market Price	111.50	125.50
	Lowest Market Price	44.10	54.80
	Average Market Price	85.67	97.08
Net Worth Per Share	Before Distribution	93.86	92.39
	After Distribution	92.01	89.89
Earnings Per Share	Weighted Average Shares	118,007	118,007
	Earnings Per Share	4.07	5.64
Dividends Per Share	Cash Dividends	1.85	2.50(Note)
	Bonus Shares	Bonus Shares	—
		Bonus Shares out of Capital Reserve	—
	Accumulated Undistributed Dividend		—
Return on Investment	Price/Earnings Ratio	21.05	17.21
	Price/Dividend Ratio	46.31	38.83
	Cash Dividend Yield	2.16	2.58

Note: The proposal for 2021 profit distribution is subject to approval of the shareholders' meeting.

6. Company's dividend policy and its implementation

(1) Dividend Policy is set out in the Articles of Incorporation^[1]

In terms of Dividend Policy, Article 129 of the Articles of Incorporation provides that:

As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs.

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) a maximum of eight percent (8%) and a minimum of zero point five percent (0.5%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) a maximum of three percent (3%) and a minimum of zero point five percent (0.5%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to Cayman Islands law and notwithstanding Article 139, the Employees' Remunerations and the Directors' Remunerations may be distributed in the form of cash and/or bonus shares, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are passed.

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- a. to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- b. to set off accumulated losses of previous years (if any);
- c. to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- d. to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- e. with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items a. to d. above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items a. to d. above. Cash dividends shall comprise a minimum of ten percent (10%) and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

(2) Distribution of stock dividends approved by the Shareholders' Meeting.

The Company's proposal for profit distribution with NT\$2.50 cash dividend per share, totaling NT\$ 295,331 thousand was approved by the Board meeting on March 29, 2022 and will submit it to the Annual Shareholders' Meeting for recognition on June 24, 2022.

7. Impact to Business Performance and EPS Resulting from Bonus Shares Distribution resolved by the Shareholders' Meeting

N/A. There is no proposal for bonus shares distribution discussed at the Shareholders' Meeting this year.

8. Bonuses to employees, Directors, and Supervisors

- (1) Ratios of bonuses to employees, Directors, and Supervisors, as set forth in the Company's Articles of Incorporation:

Please see the section 1.6 "Company's dividend policy and its implementation" for more information.

- (2) The basis of current estimates for bonuses to employees, Directors, and Supervisors, the basis of calculating shares for employees stock bonus, and accounting methods of handling differences between the actual distributed amount and estimated amount

The Company's 2021 income from continuing operations before income tax is NT\$ 678,661 thousand before deducting bonuses to employees, Directors, and Supervisors. Given the Company's profit performance in 2021, the bonuses to employees and Directors were distributed by cash and accounted for NT\$ 3,393 thousand and NT\$ 10,000 thousand respectively in accordance with the Articles of Incorporation. If there is any discrepancy between the amounts above and actual distributed amounts approved by the Shareholders' meeting, the Company will make changes in accounting estimates in

the year of the Annual Shareholders' Meeting.

(3) The amounts of bonuses approved by the Board of Directors

The Board meeting on March 29 2022 determined that the bonuses to employees and Directors were distributed by cash and respectively accounted for NT\$ 3,393 thousand and NT\$ 10,000 thousand .

(4) The actual distribution of bonuses to employees, Directors, and Supervisors in the previous fiscal year (including shares to be distributed, monetary amount and stock price) , and if any differences between the actual distributed amounts and the recognized amount of bonuses to employees, Directors, or Supervisors, the differences, reasons of differences and any method to address the differences should be clarified

Unit:NT\$ 1,000

Item	Distributed Amount Approved by the Board Meeting	Actual Distributed Amount	Form of Distribution
Bonus paid to Employees	2,449	2,449	Cash
Bonus paid to Directors	6,700	6,700	Cash
Total	9,149	9,149	Cash

9. Repurchase of Common Stock

None.

B. Corporate Bonds

1. Issuance of Corporate Bonds

May 6, 2022

Corporate Bond Type	Third domestic unsecured convertible corporate bond
Issuing Date	October 19 2021
Face Value	NT\$ 100,000
Place of issuance and trading	N/A
Offering Price	Par
Total Amount	NT\$ 500 million
Interest Rate	0%
Term	Three years; Maturity: October 19 2024
Assurance agency	None
Trustee	Department of Transfer Agency Service, SinoPac Securities Corporation
Underwriter	SinoPac Securities Corporation
Attorney	Baker & Mckenzie Justin LIANG, Hao-Ray Hu
Accountant	PricewaterhouseCoopers Taiwan LIU, Mei-Lan, HSU CHIEN YEH
Repayment	Holders of convertible bonds could convert such bonds into the Company common shares in accordance with Article 13 of the Regulations on Issuance and Conversion, or sell them back to the Company under Article 21. The Company could

Corporate Bond Type		Third domestic unsecured convertible corporate bond
		make one-off cash payment based on par value of a bond when convertible bonds became due, except that the Company withdrew to redeem on the Taipei Exchange.
Outstanding principal amount		NT\$ 491,600 thousand
Terms of Redemption or Early Repayment		Early redemption under Article 21 of the Regulations on Issuance and Conversion.
Restrictions		<p>Article 7 and 29 of the Regulations on Issuance and Conversion are as follows:</p> <p>Article 7 The convertible bonds are unsecured securities. However, the convertible bonds can be secured by claims or in-rem rights at the same level as other warrant-linked & secured bonds or secured corporate bonds, which are issued publicly or privately after the convertible bonds are issued.</p> <p>Article 29 Any relevant matter, which is not set out in the Regulations on Issuance and Conversion of Convertible Bonds, should be governed by the applicable laws and rules.</p>
Credit rating agency, date of assessment and corporate bond Name of Credit Rating Agencies, rating date and rating results		N/A
Other Rights	Amount of Converted (Exchange or Subscription) Common Shares, Overseas Depositary Receipts or Other Securities as of the Date of Publication of the Annual Report	As of 5/6/2021, NT 1,253,720 of ordinary shares have been converted (exchanged or subscribed).
	Regulations on Issuance and Conversion (Exchange or Subscription)	Please see the Regulations on Issuance and Conversion of the Third Domestic Unsecured Convertible Corporate Bonds
Dilution Effect and Other Adverse Effects on Existing Shareholders		Please see the Regulations on Issuance and Conversion of the Third Domestic Unsecured Convertible Corporate Bonds
Custodian of the Subject After Conversion		N/A

2. Convertible Corporate Bond

Unit:NT\$ 1

Corporate Bond Type		Third Domestic Unsecured Convertible Corporate Bonds	
Year		2021	Jan. 1 to April 30, 2022
Market Price of Corporate Convertible Bond	Highest	128	130
	Lowest	103.55	113
	Average	109.88	121.50
Conversion Price		67	67
Issuing (processing) date and the conversion price at the time of issuance		October 19, 2021 NT\$ 67	
Conversion method		Delivered by issuing new shares	

C. Preferred Shares

None

D. Overseas Depositary Receipts

None

E. Employee Stock Options

None

F. Employee Restricted Stock

None

G. New Share Issuance in Connection with Mergers and Acquisitions

None

H. Implementation plan of funding

None

V Overview of Business Operation

A. Business Activities

1. Scope of Business

(1) Main Business of the Company and its Subsidiaries

The main product categories of the group cover automobile parts, products in relation to stamping and hot-pressing process, design and manufacturing of mould, development of new composite material and technology consulting service. The end products include various auto parts such as vehicle body stamping parts, cockpit carriers, under body shields, front ends, vehicle body parts, moulds, spare wheel pans, wheel arch liners, battery trays and door moulds. Recently the Group has taken steps to raise its market footprint in solutions for welding, cutting and assembling through flexible-joint robots.

(2) Current Products (Services) and the ratios of the sales of main products to total operating revenue

The Group mainly manufactures, processes, and sells products made from aluminum alloys, rolling bumpers, plastic products, auto parts and accessories. The Group also has several production lines of stamping, welding and hot-pressing parts. The main products are as follows:

- a. Metal parts : vehicle body stamping parts, cockpit carriers and vehicle body parts.
- b. Non-metal parts: under body shields, front ends, wheel arch liners, spare wheel pans, battery trays and door moulds.

Unit: NT\$ 1,000 ; %

Year Service Item	2020		2021	
	Operating Revenue	% of total operating revenue	Operating Revenue	% of total operating revenue
Metal	14,252,498	65.85	14,161,619	69.74
Non-metal	5,165,490	23.87	4,835,298	23.85
Mould and others	2,226,164	10.28	1,300,296	6.41
Total	21,644,152	100.00	20,277,213	100.00

(3) Plans of New Product Development

The Group's business involves metal and non-metal auto parts. To satisfy differentiated needs of downstream OEMs, and maintain its leading role in the industry, the Company plans to develop the following new products and technology:

- a. Application of stamping parts made by aluminium alloys composites: they can be applied to cockpit carriers, front and rear bumpers and underframes.
- b. Reinforcement of self-designed structure and its capability of CAE simulated analysis: improvement for durability of products and reduction of deformation.
- c. Development of CFRP related products: it meets the trend toward lightweight vehicle parts in the future for the OEMs.

2. Industry Overview

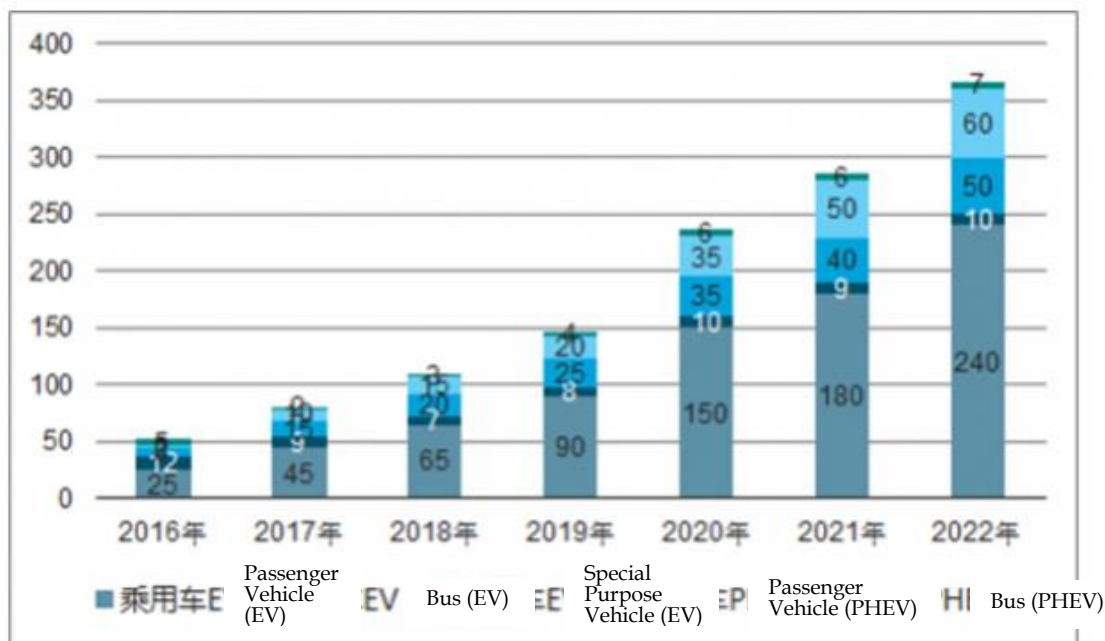
(1) Industry Status and Development

Since the earliest stage of the modern automotive industry in China started in 1953, FAW Manufacturing Plant has established a solid ground for the future car market in China. In the past few years. The overall sales of cars in China continue to grow. It has been more than thirty years after China initiated its first economic reforms. Particularly in the

21st century, the automobile industry in China has been constantly and actively progressing and achieved world-famous acknowledgement.

Projected Sales of Energy-efficient Cars in China

Unit : 10,000 units of vehicles



Source : Ministry of Industry and Information Technology

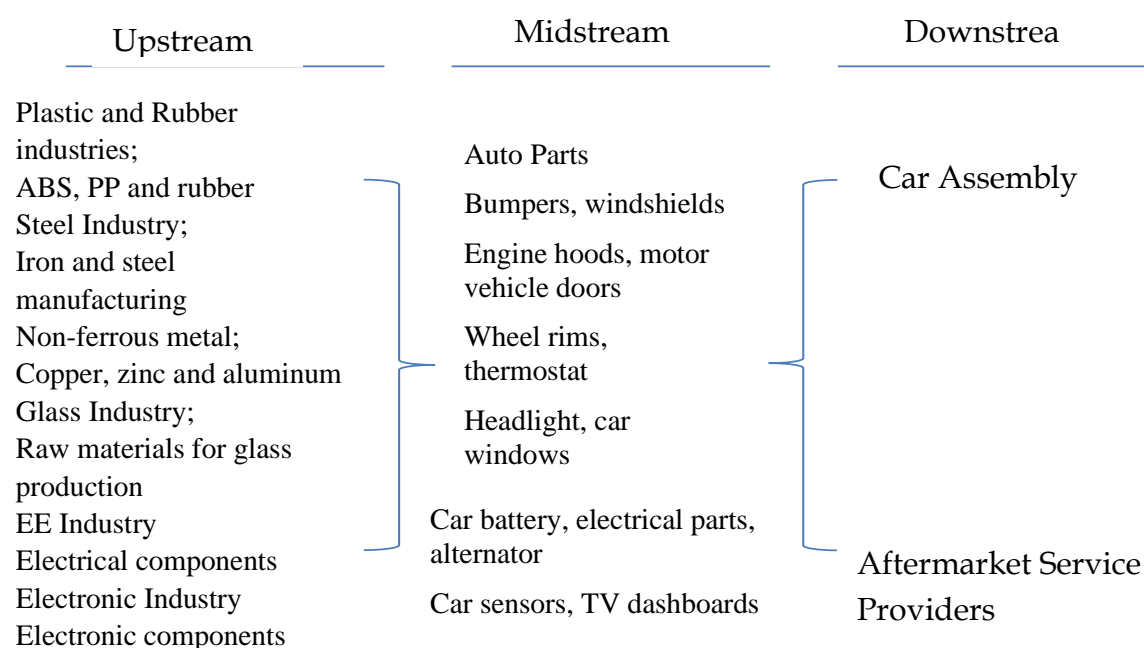
As a result of emission reduction policies, the compound annual growth rate in the global electric vehicle (including hybrid electric vehicle) market may remain above 32%, offering an opportunity for electric vehicle industry to grow rapidly. On August 16, 2017, the Ministry of Industry and Information in China issued “Measures for the Parallel Administration of the Average Fuel Consumption and New Energy Vehicle Credits of Passenger Vehicle Enterprises”, which took effect on April 1st, 2018. These measures required auto companies producing or importing over 30,000 non-NEV passenger cars per year to earn NEV credits equal to a set percentage of their non-NEV sales in China, starting from 2019. The Chinese Industry Information study shows that the total sales of NEV will account for 11% of total car sales in 2022. The growth momentum is mainly driven by passenger vehicles. The numbers of passenger vehicles (EV) may amount to 2.4 million in 2022 respectively. The NEV credits scheme initiated in 2018 will be the main reason resulting in an increase in passenger vehicles.

As a result of recent structural changes in the global automobile industry, auto parts manufacturers’ role in the automobile industry becomes more important. Therefore, more and more R&D activities are conducted by them with the aim of creating more output value. Despite of great growth potential in the automotive industry in China, the market may face the phase of stable profits due to many exogenous future challenges, including energy, transportation and environmental protection. With these upcoming challenges, it is the key for auto parts manufacturers to pursue the goal of sustainable and balanced growth in terms of business profits and its performance.

(2) Relations of Upstream, Midstream and Downstream Companies

The automotive supply chain are among the most complex in the world – from design and provision of raw materials in the upstream to automotive assembly plants and aftermarket services in the downstream. The automotive supply chain companies form a cross-industry network with other partners in related industries. The roles of auto parts in

the automotive supply chain are illustrated in the diagram below.



Upstream	Midstream	Downstream
Plastic and Rubber industries; ABS, PP and rubber Steel Industry; Iron and steel manufacturing Non-ferrous metal; Copper, zinc and aluminum Glass Industry; Raw materials for glass production EE Industry Electrical components Electronic Industry Electronic components	Auto Parts Bumpers, windshields Engine hoods, motor vehicle doors Wheel rims, thermostat Headlight, car windows Car battery, electrical parts, alternator Car sensors, TV dashboards	Car Assembly Plants Aftermarket Service Providers

Source: Taiwan Industry Economics Services

The diagram shows that production of auto parts involve technologies of casting, stamping, welding, machining and hot pressing, and final products include headlight, wheels, sheet metal parts, alloy wheels, engine hoods, bumpers and others auto parts. In the automotive industry, the supply chain firms have a very close relationship with each other and the interrelationship between them may affect the whole industry. As a result of the complex process of auto making and assembling, auto parts manufacturers and auto makers forms a synergy network with long term cooperation, and to some extent auto makers may engage into vertical integration with the upstream or downstream firms to some extent.

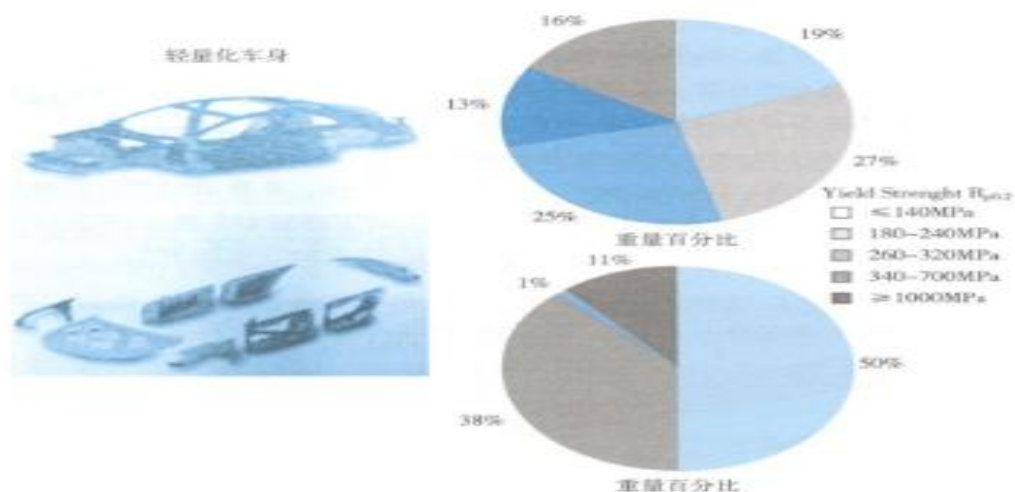
(3) Development of Auto Parts

The traits of the auto parts industry include high industry dependence, long supply chain and the ability of promoting economic growth. In terms of production methods, auto parts can be divided into four types: car engine, car chassis, car body and accessories as well as electronic products. The Group mainly produces the following car body and accessories:

1) metal auto parts, including metal cockpit carrier, front and rear bumpers, car doors and

under frames; 2) non-metal auto parts, including front ends, under body shields and wheel arch liners. Car weight has increased by 20% to 30% with more than ten years manufacturing experience as a result of comfort and safety considerations. However, in the context of the green transformation of the global economy, major automakers - for example, Volkswagen, BMW, Toyota, GM and Ford, move toward production of light cars. In addition, breakthroughs in raw materials and technologies also facilitate the development of lightweight design for future car body products.

Volkswagen Passat CC: the ratio of hot-pressing components to a car body



Source: China Society of Automotive Engineers

The development trend of lightweight vehicles concerns not only comfort and convenience of products, but also energy consumption of them with the aim of reducing environmental impact. When a car is running, it is required to overcome several resistance forces, including rolling resistance, grade resistance, acceleration resistance and air resistance. In addition to air resistance, other types of resistance forces have a positive correlation with product quality. A research conducted by German Volkswagen showed that the fuel efficiency of a car can increase by 0.3-0.5 liters per 100 km when reducing the car weight by 0.1 ton. Lightweight also helps improve controllability and car acceleration.

As mentioned above, key industrial trends involve how to find lightweight materials (such as high-strength steel, Almelec and other metal molding technique), and application of molding techniques for special plastics and compositematerials. Through application of new materials and improving metal working process (for example, application of cockpit carrier made by aluminium alloys), the Company aims to supply lightweight materials with the same tensile strength. Alternatively, the Company uses parametric modeling of auto parts to buildmodels and utilize the new technology such thermoforming to meet the goal of lightweight car body requested by the downstream car makers.

(4) Competition in the Relevant Product Market

As China is the largest automotive market in the world, production of auto parts in the upstream continues to grow with expandingautomotive market in China and increasing car ownership. Integration of auto parts plants is crucial to future development strategy and policy of the auto parts industry in China,and ultimately to equip themselves with more differentiated products and better product quality. For an auto parts manufacturer, when its products are used by tier 1 companiesin their automobile assembly lines, it

represents that the auto parts supplier's products are rather competitive. The Group has established cooperative relation with tier 1 car companies for more than decades and gained their recognition. The Group also continues to invest in advanced equipment and improve innovative production process to develop and produce more competitive products. The reasons why notable automobile manufacturers favor the Group's products are as follows:

- a. Advanced development of moulds: the Group's ability of designing, manufacturing, and testing moulds not only meets industrial high standards but also guarantee for quality moulds and product development.
- b. Long standing trust: since its inception, the Group has endeavored to establish cooperative relationship with car companies in China for more than decades. With advanced technical skills of product development, the Group has earned the trust of car companies in the downstream as their partner developers in many consecutive years.
- c. Timely responses to customers' requests: the Group ensures timely transmission of information from logistics or customers to the department of quality control and logistics management through our on-site support teams in order to discover problems in time and improve troubleshooting efficiency.

3. Research and Development

- (1) R&D expenses in the most recent fiscal year and as of the date of publication of the annual report

Unit: NT\$1,000

Item \ Year	2017	2018	2019	2020	2021
A. R&D expense	577,548	747,148	681,579	745,575	868,489
Operating Revenue	18,879,842	21,855,386	22,239,873	21,644,152	20,277,213
A/B	3.06%	3.42%	3.06%	3.44%	4.28%

- (2) Successful New Technology or Product Development

The Company has devoted itself to improving metalwork process of stamping, rolling and assembly welding. To achieve the goal of lightweight car, the Company has always invested a lot in composite materials, high strength steel, assembly stamping and aluminum alloy, and constantly seek the most sophisticated skill of processing auto parts. In terms of GMT thermo-compression, LFT online dosing, laser metal welding, high strength steel by rolling, aluminum alloy profile extrusion processed and heat treating, the Company made a technical breakthrough to increase production efficiency and product yield and reduce cost. The table below shows the Company's achievements of research and development in the past five years:

Year	Achievement	Description	Applicatin	Scope of Sales
2016	Engine shield	Reinforcing flexibility, impact resistance and toughness of engine shields.	Applicable to frontend molds	Frontend molds
	Car engine underbody shield	A shield with stiffening ribs, drain holes and cooling&heating vents can ensure its bearing capacity, heat dissipation and drainability to extend product lifetime. Furthermore, the shield is surrounded by structures for punching and shearing to solve trimming issue, reduce manpower, increase production efficiency and lower costs.	Applicable to under body shield	Underbody shield
	Reinforced car engine underbody shield	Two sides of a car body are installed with S-shaped stiffening ribs in order to increase its strength and toughness, and extend service life. In addition, the utility model is well designed with a number of characteristics, including good drainage, efficient heat dissipation and easy replacement and maintenance to improve product competitiveness.	Applicable to under body shield	Underbody shield
	Nervous type Car Frontend	Instead of metal headlight brackets, seamless plastic headlight brackets require less parts and processing and benefit in lightweight auto parts.	Applicable to front end module	Frontend molds
	Noise reduction and muffler function of the car engine underbody shield	Round dimples on a underbody shield can reduce the weight of the underbody shield by using less materials and save costs. This type of shields can also eliminate noises and ensure that drivers are safe on the road. Reinforced structure around mountings holes and the right side of the underbody shield is strengthened with stiffening ribs.	Applicable to under body shield	Underbody shield
	Car instrument panel beam	A main tubular bracket with holes can discharge welding slag in time and prevent noise pollution. The holes are sealed by buckets to ensure high leakproofness, prevent bimetallic corrosion and increase service life. Furthermore, the utility model are high-functioning, highly-integrated, lightweight and high-strength.	Applicable to Car instrument panel beam	Car instrument panel beam
	Frontend molds quiet gongor, strength test device.	In response to trends of lightweight car and modularization and needs of verifying frontend molds, the test device is designed to verify frontend molds quiet gongor and strength.	Applicable to frontend module testing	Underbody shield
	Frontend molds Locks holding position device test device.	Due to much higher standard of impact resistance for bonnet locks of frontend molds during driving at full speed, the test device is designed to verify the quality of the holding position in order to meet the strength requirements of the frontend molds locks holding position.	Applicable to Frontend molds Locks holding position device test	Frontend molds
	Auto-water cutting equipment	An auto-water cutting equipment can satisfy the needs of various modern car types with advantages of less molds and batch production. The equipment can save space, increase precision and improve work environment and safety for machine operators to inspect and test molds for various parts with characteristics of precise positioning, user-friendly operation system and easy maintenance.	Applicable to production of wheel arch liners	Applicable to Audi Q3
	Robotic flame handling / paint / gas marking station	Instead of manual operation, the Company adopted automatic robots to complete the process of flame handling-painting-marking. The process of painting is finished in a closed but purified space to ensure production safety and consistent quality and prevent operators from health hazards.	Applicable to production of spare wheel pans and door modules	Spare wheel pans and door modules
	Reinforced ring connection detection device	Meeting requirements of strength, size and product quality by adopting connection detection device.	Applicable to reinforcement plate for car seats	Applicable to reinforcement plate for car seats
	Front bracket auto-assembly device	Automatically clamping by adopting assembly torque wrenches to guarantee product quality and increase efficiency at work.	Applicable to engine brackets	Applicable to engine brackets
	Sound reinforced bracket self-locking nut auto-assembly device	Increasing efficiency at work by using sleeve nuts driven by servomotors, automatic clamps and laser detectors in order to measure distances and ensure assembly precision of self-locking nuts.	Applicable to reinforcement brackets for car audio	Various assembly structures of self-locking nuts
2017	A welding machine with self-balancing microsystems	A welding machine with self-balancing microsystems is designed to make microadjustment by automatically measuring angle of inclination and changes in pressure	Applicable to robot welding for auto parts	Robot welding for various auto parts
	A vertical welding mechanic with a test system	A vertical welding mechanic with a test system is designed to inspect and detect at any time wear conditions of workpiece brackets and pillars. The relevant data can be automatically saved and recorded with an alarm system.	Applicable to robot welding for auto parts	Robot welding for various auto parts
	A coating manipulator shifting device	A coating manipulator shifting device is designed to make microadjustment and monitor the levelness by using machines, which are able to move vertically and horizontally.	Applicable to coated auto parts	Various coated auto parts
	A Inspect mould with nut anti-reverse and anti-leak function	An user-friendly inspect mould with an appropriate design and a simple structure has anti-reverse and anti-leak function.	Applicable to riveted parts	Various riveted parts

	A Riveting equipment with nut anti-reverse and inspection function	An user-friendly riveting equipment with an appropriate design and a simple structure has nut anti-reverse and inspection function.	Applicable to riveted parts	Various riveted parts
	An anti-leakage process improvement device	An anti-Leakage process improvement device is designed to improve the current status of spot welding station, prevent mixture of materials and eliminate safety risks.	Applicable to riveted parts	Various riveted parts
	Roll pressure front hole inspection equipment	A kind of roll pressure front hole inspection equipment. This design overcomes the failure to inspections after punching roll pressure front molds, and achieves the goal of inspecting holes without impact on production and processing.	Applicable to door sills	Car door sills
	A new kind of automatization decorating equipment	A new kind of user-friendly and highly automated decorating equipment with an appropriate design and a simple structure to complement deficiencies of current technologies.	Applicable to exterior A-Pillar trims	Various exterior A-Pillar trims
	A kind of circulating water, cold water improvement device	A kind of circulating water device for cold water improvement is designed to improve the colling effect, extend the service life of electrode covers and increase production capacity.	Applicable to cooling system for resistance welding	Resistance welding parts
	An extension welding system	An extension welding system is designed to solve issues of high fatigue strength and low efficiency out of current technologies.	Applicable to resistance spot welding parts	Various resistance spot welding parts
	Detection device with anti-error function	A user-friendly detection device with an appropriate design and a simple structure has anti-error function.	Applicable to door sills	Car door sills
	A new type of device to avoid leakage riveting nuts	A new type of user-friendly device with an appropriate design and a simple structure to avoid leakage riveting nuts.	Applicable to door sills	Car door sills
	An anti-leakage process functional device	An anti-leakage process functional device is designed to improve the current status of spot welding station, prevent mixture of materials and eliminate safety risks.	Applicable to wheel arch liners	Various wheel arch liners
	A roll pressure front hole inspection device	A kind of roll pressure front hole inspection equipment. This design overcomes the failure to inspections after punching roll pressure front molds, and achieves the goal of inspecting holes without impact on production and processing.	Applicable to door sills	Car door sills
	An efficient self-bending equipment	A new kind of user-friendly and highly automated self-bending equipment with an appropriate design and a scientific structure to complement deficiencies of current technologies.	Applicable to exterior A-Pillar trims	Various exterior A-Pillar trims
	An electric circle, water cooled circuit	A kind of electric circle for water cooled circuit is designed to improve the colling effect, extend the service life of electrode covers and increase production capacity.	Applicable to cooling system for resistance welding	Resistance welding parts
	A new type stretch welding machine	An extension welding system is designed to solve issues of high fatigue strength and low efficiency out of current technologies.	Applicable to resistance spot welding parts	Various resistance spot welding parts
2018	Static stiffness and strength testing device for frontend module	In response to trends of lightweight car and modularization and needs of verifying frontend molds, the testing device is designed to verify static stiffness and strength of frontend molds.	Frontend molds	Frontend molds
	Plastic front end module eight-character beam structure	It can increase structural strength of frontend molds without locker bracket but reduce total weight of a vehicle. This beam structure has been applied widely in the process of designing frontend molds so that it can improve promotion to customers. Particularly it is applicable to new energy cars and traditional cars when introducing customers products with reinforced structure, such as eight-character beam structure.	Framework design of frontend molds	Frontend molds
	Automatic water cutting device	An auto-water cutting equipment can satisfy the following needs: capacity requirements, precision of parts, less labor costs and a safe workplace for operators with the aim of improving product quality, technology level and yield rates and ultimately reducing costs.	Wheel arch liner for Audi Q3	Hot-pressing wheel arch liner
	Robotic flame handling / paint / gas marking station	Instead of manual operation, the Company adopted automatic robots to complete the process of flame handling-painting-marking. The process of painting is finished in a closed but purified space to ensure production safety and consistent quality and prevent operators from health hazards.	Spare wheel pans and door modules	Spare wheel pans and door modules
	Reinforcing ring riveting detection device	Meeting requirements of strength, size and product quality by adopting riveting detection device.	Reinforcement plate for car seats	Reinforcement plate for car seats
	Front bracket auto-assembly bolts device	Advanced automated manufacturing process by adopting electronic torque wrenches and pneumatic type clamp to guarantee product quality and increase efficiency at work.	Applicable to bolt assembly, requiring precise torque control	Various engine brackets

	Sound reinforced bracket self-locking nuts auto-assembly device	Increasing efficiency at work by using sleeve nuts driven by servomotors and automatic clamps in order to measure distances and ensure assembly precision of self-locking nuts.	Reinforcement brackets for car audio	Various assembly structures of self-locking nuts
	A complexation multiple materials CCB	It's weight reduced by 35%-45% with less R&D expenses and less parts for assembly. It also ensures overall precision and minimize deformation risks on CCB's size, resulting from welding. Its surface is anti-erosion. It also simplify processing procedure, decrease takt time and increase efficiency.	Applicable to Car instrument panel beam	Car instrument panel beam
	A complexation materials CCB	1. Simplifying processing procedure, decreasing takt time and increasing efficiency; 2. Minimizing deformation risks on CCB's size, resulting from welding; 3. Less parts for assembly can ensure overall precision; 4. It's weight significantly reduced by 40-50%; 5. It does not require surface treatment.	Applicable to Car instrument panel beam	Car instrument panel beam
	A complexation materials CCB	1. It is lighter than traditional bumper beam; 2. High structural strength, high corrosion resistance and high impact resistance; 3. The flexible design can be applied to parts with complex structure; 4. It requires more simplified technology process without welding.	Rear bumper beam	Rear bumper beam
2019	Leakage detection device for metal stamping parts	A kind of leakage inspection device for metal stamping parts. It belongs to automotive parts detection device.	Metal stamping parts	Metal stamping parts
	RIM car front bumper	It puts two kinds of raw materials (polyethylene and isocyanate) into temperature-controllable tanks equipped with the stirrer. After accurate measurement, the two components are respectively sprayed into the mixing chamber based on a certain proportion, in which the materials are fully mixed in mist status. Then they are injected into the mold under certain pressure, which will be cured in the mold after chemical reaction, and finally form the polyurethane polymer.	Car front bumper	Car front bumper
	LFT-D material automotive rear bumper beam	It is the application of LFT-D material in the automotive rear bumper beam.	Automotive rear bumper beam	Automotive rear bumper beam
	Manufacturing method of complication continuous glass fiber reinforced frontend module	The complication continuous glass fiber reinforced frontend structure is designed to apply finite element topology optimization to locate the weak structure, which is then locally reinforced by the complication continuous fiberglass board. In this way, it increases the stiffness and strength of the weak locations to meet the performance requirements, making the frontend module light weight and long service life.	Frontend	Frontend
	Fiber local reinforced plastic spare wheel pan and production method	Fiber local reinforced plastic spare wheel pan belongs to automotive spare wheel pan.	Spare wheel pan	Spare wheel pan
	Production method of continuous glass fiber board reinforced plastic CCB assembly	The design method of continuous glass fiber board reinforced plastic CCB assembly applies the finite element topology optimization to locate the weak structure, which is then locally reinforced by the new complication continuous fiberglass board, so as to achieve local reinforcement, uniform stress and lower stress concentration of the plastic CCB assembly.	Plastic CCB assembly	Plastic CCB assembly
	CCB vibration testing by finite element simulation method	It test the CCB vibration by finite element simulation method. CCB assembly is an important automobile part. The results obtained by conventional analysis method are not accurate. The vibration performance of CCB is verified by finite element method.	CCB	CCB
	A kind of fiber local reinforced plastic door substrate	The patent of continuous fiber board local reinforced door substrate is invented in the development or production of automotive door substrates, which aims to producer the door substrate lighter than conventional metal and non-metal door substrates under the premise of satisfying the performance requirements. The patent realizes the door substrates of lower weight and higher performance, achieving the effect of lightweight automobiles.	Door substrate	Door substrate
	A kind of spare wheel pan injection mold handling mechanism	The positioning mechanism is controlled by the hydraulic cylinder. While positioning, it also realizes the functions of the molding part, and the structure for positioning the sheet materials inside the mold cavity is realized. No waste material will be generated, so as to meet the design requirements.	Spare wheel pan	Spare wheel pan

	Spare wheel pan injection mold with floating positioning mechanism	It makes use of the air cylinder and the nitrogen spring, so the hanging mechanism can realize the hanging function without affecting the appearance of the product. Moreover, it realizes the positioning of the sheet material in the mold and effectively controls the material flow stability of the organic sheet material in the molding process, as well as solves the problem of placing the organic sheet material in the horizontal injection molding machine when plastic wrapping and molding of spare wheel pan. So it provides the premises for the realization of plastic wrapping and molding of spare wheel pan made of organic sheet material.	Spare wheel pan	Spare wheel pan
	Automotive CCB	Using the statistical analysis of DOE, it designed a CCB for OEM that meets the customer's needs. It was verified by the experiments of the laboratory, such as the frequency sweep vibration test and stiffness test to meet the various performance requirements of the customer.	Aluminum alloy CCB	Aluminum alloy CCB
	Automotive frontend	The main structure is of frame. The upper structure is for loading, while the pillar is of reinforced structure, and the bottom is the structure to control dimensions. The structure is streamlined, which not only meets the performance requirements, but also makes lightweight and reasonable arrangement.	Frontend	Frontend
2020	Local reinforcement technology	It uses continuous fiber board for local reinforcement of products, so as to realize lightweight products.	Mold	Mold
	Frontend integration technology	The integrated frontend module reduces the dimensional chain, improves the assembly accuracy, shortens the length of the assembly line, and elevates the assembly efficiency of the vehicle body.	Frontend	Frontend
	New CCB	Lightweight, integration, simple process and better control of accuracy	CCB	CCB
	Complication continuous glass fiber tear bumper beam	Higher precision and lightweight	Rear bumper beam	Rear bumper beam
	Lightweight door substrate	Lower weight to achieve the same strength, with the weight reduced by 30%	Door substrate	Door substrate
	Storage battery pallet	Low cost, low weight, higher precision and faster production	Battery pallet	Battery pallet
	Complication materials spare wheel pan	Lightweight and high integration	Spare wheel pan	Spare wheel pan
	SMC upper cover of battery	Significant weight reduction, high chemical resistance, excellent UV resistance and aging resistance, long service life, flame retardance, non-toxic, non-hazardous, and good dimensional stability	Upper cover of battery	Upper cover of battery
	Lightweight mold	The design minimizes the materials provided the desired machining performance, so as to achieve the purpose of lightweight and cost saving.	Mold	Mold
2021	A kind of preparation method of lightweight front locking plate	The method of the invention has the advantages of light product quality, low input cost of tooling, and strong resistance to deformation of the obtained front-end locking plate. Compared with the traditional method, the input cost of tooling is reduced under the same output, even if the parts are not In the case of reproduction, the loss of tooling costs can also be reduced.	Frontend molds	Frontend molds
	A lower case of a battery pack	The utility model relates to a lower casing of a battery pack, which belongs to an electric vehicle battery pack. The advantages are that the structure is novel, the strength of the weld is high, the weld is not easily deformed, it can withstand harsh working conditions, the overall quality is reduced, and the vehicle manufacturer's demand for lightweight products is met.	Battery pack	Battery pack
	A CCB matched with aluminum and composite materials	The utility model relates to an CCB matched with an aluminum material and a composite material, which belongs to an automobile part. The advantage is that the structure is novel, the combination of aluminum tube and non-metal injection material is used, the tooling investment is small, and the product size is stable. Compared with the traditional metal stamping and welding CCB, the product weight and dimensional accuracy can be greatly reduced under the premise of meeting the same performance. higher.	CCB	CCB

A kind of fiber local reinforced plastic spare wheel pan and production method	The invention provides a fiber local reinforced plastic spare wheel pan and a production method, and belongs to a spare wheel pan for automobiles. The invention adopts the continuous fiber board local reinforcement molding method, uses the 0.6mm and 1.0mm continuous fiber board superposition method to replace part of the structure of the 3.0mm thickness of the hot-pressed spare wheel pan, and optimizes the data through finite element simulation analysis. On the premise that the final product meets the performance, The product loses about 30% weight.	spare wheel pan	spare wheel pan
A pressure clinch riveting structure for aluminum alloy material connection	The utility model relates to a pressure clinching riveting structure used for the connection of aluminum alloy materials. The connection between an aluminum tube and a bushing is realized through the pressure clinching riveting structure. After the structure of the riveting lining is added to the aluminum tube, it can have a higher degree of design freedom. , the connection with more products can be realized through the bushing.	Aluminum alloy pipe beam	CCB & bumper beam
An end head for sealing liquid at both ends of a hydroforming die	The utility model relates to an end head for sealing liquid at both ends of a hydraulic molding die, belonging to a sealing structure applied in the hydraulic molding die. The advantage is that the structure is novel. Through different section changes, select the appropriate guide angle, and use the sealing block to extrude the inner wall of the aluminum pipe and the sealing boss for interference sealing, so as to achieve the effect of sealing water and effectively improve the reliability of the hydroforming of the aluminum pipe.	Aluminum alloy pipe beam	CCB & bumper beam
An integrated automotive frontend	The utility model relates to an integrated automotive frontend , which belongs to the components of the front cabin of an automobile. The advantage is that the structure is novel, the lamp bracket, the anti-collision beam mounting plate and the automotive frontend body are integrated together, the integration degree is high, the structural strength is high, the size is easy to control, and the cost of the product is greatly reduced.	Frontend molds	Frontend molds
A stand for scanning large size products	The utility model relates to a support for scanning large-size products, which belongs to a support for scanning products. The advantage is that the structure is novel, the use range of the portable articulated arm scanning device is expanded, the investment cost of large-scale equipment is reduced, and the limitation of the range of the articulated arm scanning device is solved. By using this device, the lower surface and the upper surface of the product can be obtained respectively. Scan the point cloud data that can be scanned by the arm of the scanning device, fit the lower surface and the upper surface of the product, and finally obtain the scanned point cloud data of the complete large-scale product.	Lab scan	Lab scan

4. Long-term and Short-term Plans for Business Development

(1) Short-term plans for business development

- Introducing new production line equipment to increase production capacity and manufacturing efficiency.
- Seeking potential customers through existing product and five established production bases.
- Promoting lightweight solutions of current products.
- Improving production technology and R&D capabilities through academia-industry collaboration and recruit talents.

(2) Long-term plans for business development

- Staying up to date through cooperation in the supply chain and exploring new fields of R&D as well as following cutting-edge technologies.
- Focusing on production processes with competitive advantages and introducing automotive manufacturing equipment (automated warehousing, robotic arms and progressive stamping) to continue innovation and improvement of R&D, design and manufacturing process.
- Providing comprehensive solutions in response to the policies of new energy industry

in China's 14th five-year plan, dual-credit scheme and trends of light cars and electronic vehicles.

B. Market and the Overview of Production and Sales

1. Market Analysis

(1) Sales Area of Main Products (Service)

Unit: NT\$1,000

Sales Area \ Year	2020		2021	
	Sales Amount	%	Sales Amount	%
Domestic	21,356,927	98.67	19,906,322	98.17
Export	287,225	1.33	370,891	1.83
Total	21,644,152	100.00	20,277,213	100.00

(2) Market Share

The Group has committed itself to R&D and manufacturing of auto parts for more than a decade to provide the most comprehensive solutions for lightweight cars. In respect of design, R&D, testing and manufacturing, the Group has been a leading role in technology of the automobile industry in China, and continued to provide safer, more environment-friendly and energy efficient auto parts to customers. The Company particularly emphasizes R&D and manufacturing of three types of products, which are high strength cockpit carriers, fiberglass hot-pressing parts and stamping as well as roll parts to meet different requests from customers.

There are nearly 40 types of developed and developing frames of cockpit carriers. All frames of cockpit carriers for Audi produced by FAW-Volkswagen Automobile Co., Ltd. are manufactured by our Group. Batch production of and developed non-metal products are applied to more than eighty car brands, of which more than 4.57 million products are front ends. These can show the importance of the Group to the downstream OEMs

Sales of different types of vehicles in mainland China

Unit : 1,000 cars

Type\Year	2019	2020	2021
Sedan/Hatchback	10,308	9,189	9,934
SUV	9,353	9,398	10,101
MPV	1,384	1,011	1,055
Minivan	400	395	391
Passenger Car	21,445	19,994	21,482

Source : the China Association of Automobile Manufacturers and industrial information published by the Ministry of Industry and Information Technology.

For example, a vehicle is equipped with a cockpit carrier. In 2021 the number of cockpit carriers sold to car makers was 3,685 thousand. Based on the number of passenger cars 21,482 thousand in the table above, the Company's sales represented 17.2% market shares in the passenger car market in China.

(3) Future Supply and Demand & Market Growth

Issued by the Ministry of Industry and Information Technology of China in June 2020 "Decision on revising the "Measures for the Parallel Management of Average Fuel Consumption of Passenger Car Companies and New Energy Vehicle Credits"", and fuel

consumption standards and the new energy double-point policy will promote technological innovation in the industry and the production and promotion of new energy vehicles.



Source: China Association of Automobile Manufacturers

It will enter China's 14th Five-Year Plan in 2022, driven by the "New Energy Automobile Industry Development Plan (2020-2025)", electrification, intelligence, connectivity and digitization will accelerate the transformation and upgrading of the automobile industry, and the new energy vehicle market will also shift from policy-driven to market-driven change. Many research institutes in China predicted that the economic growth in China may remain 5.5% in 2022. Despite low Consumer Price Index in China, consumers tend to decrease unnecessary consumption with lower consumer confidence when GDP growth rate is not as high as before. Given that the growth rate in the base year is high, it can be assumed that the rapid expansion stage of the automotive industry in China may end, and the market gradually moves into the stage of stable development. However, China's macroeconomic regulation and control is still in favor of development of car manufacturers and upstream auto part firms because macro-control emphasizes continuity and stability of economic policies, which benefits large-scale firms with promising long-term effect.

(4) Competitive Advantages

a. Key customers

The Group has been selected supplier for domestic car brands and received recognition of excellent performance from auto manufacturers. On the basis of existing customer, the Company continue expanding its scale and acquire valuable world famous customer, such as Volkswagen, Mercedes-Benz and BMW to seek more domestic and overseas business opportunities

b. Cost Advantage

The Group has stuck with its low cost strategy. To achieve this goal, the Company constantly refines its business model in respect of all management aspects. It also establishes a strict cost management system and various cost control measures from procurement, production and logistics. In particular, the Company takes cost of manufacturing and batch production into consideration even in the early stage of

designing and developing new products and moulds. Currently the Company has developed an effective cost management system so that the Company has a certain cost advantage in comparison to other competitors in the relevant market.

c. Advantage of technology in developing products and moulds

The Group's ability in terms of product modularization, mould design and mould production has reached the skill level as other sophisticated companies in the car market. The R&D team often engaged into joint development projects on new products for different car brands with FAW-Volkswagen, SAIC Volkswagen, Beijing Benz, SAIC-GM and Brilliance Auto, and accordingly gained rich experience in product development. In addition, the Group has built close cooperation with companies from Germany, Italy and Taiwan. Particularly, the Group is able to develop various auto parts, including aluminium alloy, hot-pressing and plastic molding composites, realize product standardization and improve production efficiency to strengthen its core competency.

d. Well-established production bases

The Group launched a tactical plan to arrange production bases few years ago. Up to now, the Company has set up production bases in Changchun, Chengdu, Tianjin, Foshan, Suzhou, Changsha, Yizheng and Ningbo, and established production network in South China, Central China, North China, East China and North East China to reduce delivery distance from suppliers to automakers, and speed up response time requested by automakers. Briefly, the Company's tactical plan in China has been completed so the Company can provide more suitable services to meet customers' expectations and equip itself with geographic competitive advantages to improve market development.

(5) Positive Factors and Negative Factors affecting Development of a Business Vision and Mitigation Measures

a. Positive factors

(a) Policy support from the Chinese government:

Since China joined the WTO, China has played more important role in global car industry and became one of national car markets, which continue growing at a stable rate. Following the energy policy set out in China's 14th five-year plan, Chinese government will take more active actions – subsidies for example, to promote new energy and eco-friendly vehicles. While the new energy market scale is relatively small, this policy represents a great potential for long-term development of auto parts.

(b) A stable customer base in China:

A process of verification and validation is required before the tier 1 car companies select their suppliers. For an auto parts manufacturer, when its products are used in the automobile assembly line, it represents that the auto parts manufacturer's products are quite competitive. In addition, the long-term cooperative relationship with existing customers will help the Group to be recognized more easily by other tier 1 car companies and enable the Group being more competitive to explore the market.

(c) A shift toward China in global sourcing:

In contrast with markets in Europe and America, China is the most important country, which is famous for its low-cost manufacturing. In recent years, global sourcing in the auto parts industry gradually shifted toward China and set many

procurement centers. Low-cost products are the major advantage for the Group to explore foreign markets in the future.

b. Negative factors and mitigation measures

(a) Increasing labor cost in mainland China:

In recent years, the minimum wage and employment protection in every province and city in China have increased and improved, resulting in growing labor cost. In addition, with development of society, the national average educational attainment level has increased, which caused a reduction of labor supply in China has reduced and led to increasing operating costs year by year.

Mitigation measure :

The Company has committed to a more refined manufacturing process and automated production lines to reduce the demand for labor and improve product quality.

(b) High customer concentration:

The Group supplies its products to specific automobile manufacturers, and it is regarded by these customers as the best-performing firm. In the past, the Company had received orders from a single automobile manufacturer, which led to high customer concentration.

Mitigation measure:

The Group will accelerate product development to meet needs of other automobile manufacturers and then increase sales in order to reduce customer concentration.

(c) Relatively small scale company in comparison with global well-known companies:

By comparison with world-famous auto parts manufacturers, the Company has less asset value and smaller business scale, and its R&D capabilities and financial strength is also not as good as those international competitors. °

Mitigation measure:

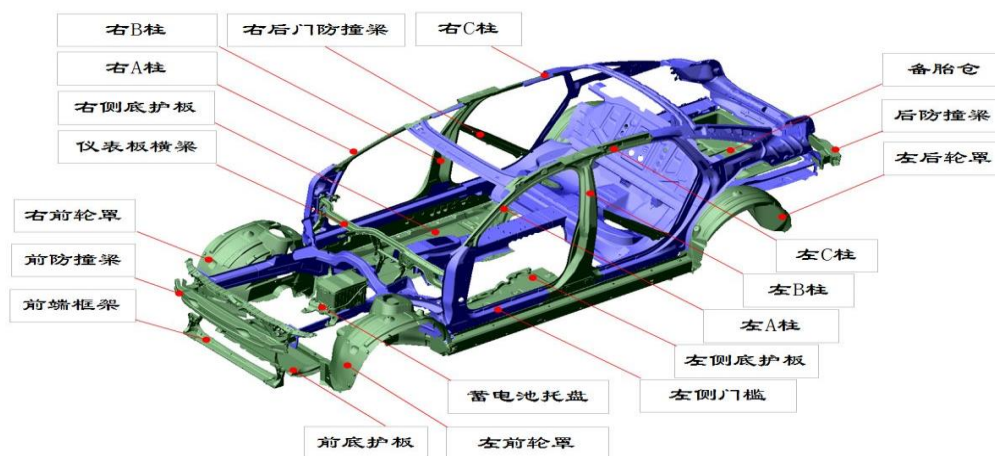
Due to insufficient operating capital, the Company sources finance and funding by offering shares publicly to acquire. In the future, the Company may increase its asset base and profitability through M&A.

2. Important Purpose of Main Products and the Manufacturing Process

(1) Important Purposes of Main Products:

- a. Metal : vehicle body stamping parts, cockpit carrier and vehicle body parts.
- b. Non-metal: Under body shield, front end, wheel arch liner, spare wheel pan, battery tray and door module.

The purposes of the main products are illustrated as the diagram below:



(2) Manufacturing Process

The manufacturing processes vary depending on different product types. All processes are illustrated as the diagram below:

Non-metallic injection	Non-metal hot pressing	Metal stamping	Metal welding			Metal rolling		
<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Storage •Injection moulding •Assembling •Testing and inspection •Packaging •Delivery 	<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Storage •material heating •Hot-pressing moulding •Testing and inspection •Punching •Testing and inspection •Assembling •Testing and inspection •Packaging •Delivery 	<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Storage •Blanking •Drawing process •Trimming punching •Flanging and restriking •Dimensional control •Packaging •Delivery 	<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Stamping •Testing •Storage 	<ul style="list-style-type: none"> •Procurement of outsourced parts •On-site inspection •Storage 	<ul style="list-style-type: none"> •Procurement of standard parts •On-site inspection •Storage 	<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Leveling •Punching •Roll molding •Cutting •Testing and inspection •Storage 	<ul style="list-style-type: none"> •Procurement of raw materials •Testing and inspection •Storage •Stamping •Testing and inspection •Storage 	<ul style="list-style-type: none"> •Procurement of standard parts •On-site inspection •Storage
			<ul style="list-style-type: none"> • Welding sub-assembly •Performance test of Welding •Welding/riveting assembly •Dimension measurement/performance assessment •Packing •Shipment 			<ul style="list-style-type: none"> •Welding sub-assembly •Performance test of Welding •Welding/riveting assembly •Dimension measurement/performance assessment •Packing •Shipment 		

3. Supply of Primary Raw Materials

The Company has established a long term relationship with suppliers of primary raw materials, and paid attention to market price to stabilized purchased price of key raw materials, and also build strategic partnership with suppliers to get reliable supply.

Raw Materials	Suppliers	Supply Status
GMT	DALIANJINTIAN 、Anluheyang	Good
Plastics	SABIC, Nexeo Plaschem, Shanghai Juner(rename as Shanghai Juner)	Good
Steel Sheet	PENGLONG TIANCHUANG, China Automotive Sunlight, HONGZHONG STEEL PROCESSING, Tianjin Yatie, Friend, Shanghai Biaoxing, Zhangquan Hardware Products, CHENGDU YIGANG, China Steel Qingdao	Good

4. List of major suppliers and

- (1) Any supplier accounted for at least 10% of total purchases in any of the most recent two years, please identify the customer name, purchase amount and its percentage, and specify the reasons of the variance (if applicable)

Unit: NT\$ 1,000; %

Item	2020				2021			
	Name	Amount	% of total annual net purchases	Relation with issuer	Name	Name	% of total annual net purchases	Relation with issuer
1	Beijing Penglong Tianchuang Material Trading Co.,Ltd.	564,242	3.94	Note	Changchun CECK Auto. Parts Co.,Ltd.	734,545	4.81	Note
	Others	13,753,957	96.06		Others	14,546,896	95.19	
	Net purchases	14,318,199	100.00		Net purchases	15,281,441	100.00	

Reasons of Variance:

Before the Group procures raw materials from suppliers, part of them required verification made by main customers. The purchase amount from main suppliers is reliant on the demand of the downstream customers. The change between 2020 and 2021 is considered reasonable.

- (2) Any customer accounted 10% of total purchases in any of the most recent two years, please identify the customer name, sales amount and its percentage, and specify the reasons of the variance (if applicable)

Unit: NT\$ 1,000; %

Item	2020				2021			
	Name	Amount	% of total annual net sales	Relation with issuer	Name	Name	% of total annual net sales	Relation with issuer
1	FAW-Volkswagen	9,468,510	43.75	None	FAW-Volkswagen	8,312,691	41.00	None
2	Beijing Benz	4,458,051	20.60	None	Beijing Benz	3,990,643	19.68	None
	Others	7,717,591	35.65		Others	7,973,879	39.32	
	Net sales	21,644,152	100.00		Net sales	20,277,213	100.00	

Reasons of Variance:

The Group has been reliable supplier for FAW-Volkswagen and Beijing Benz. The sales amount is reliant on customers' demand and the business performance. The change between 2020 and 2021 is considered reasonable.

5. Production in the most recent two years

- (1) Production in the most recent two years

Unit: NT\$ 1,000/ per1,000 item

ItemYear Main Products	2020			2021		
	Capacity	Output	Amount	Capacity	Output	Amount
Metal parts	166,115	139,117	15,933,704	157,237	126,295	15,141,977
Non-metal parts	39,165	32,982	6,024,817	38,269	32,083	5,001,522
Total	205,280	172,099	21,958,521	195,506	158,378	20,143,499

- (2) Variance Analysis

In terms of metal and non-metal products in 2021, the respective percentages of the total production are similar to the percentages in 2020. There is no significant change between 2020 and 2021.

6. Sales in the most recent two years

- (1) Sales in the most recent two years

Unit: NT\$ 1,000/ per 1,000 item

Item \ Year	2020		2021	
	Quantity	Amount	Quantity	Amount
Metal parts	124,171	14,208,951	1,086	43,547
Non-metal parts	31,186	5,151,884	114	13,606
Mould and others	414	1,996,092	-	230,072
Total	155,771	21,356,927	1,200	287,225

(2) Variance Analysis

The sales amount in 2021 is lower than that in 2020, mainly due to the decrease in sales of molds.

C. The Number of Employees in the Most Recent Two Years and As of the Date of Publication of the Annual Report

Unit: person; %

Item \ Year		2020	2021	As of May 6 2022
Staff (persons)	Manager	112	116	116
	Production Linie Worker	2076	2,165	2,252
	General Employee	2047	1,931	1,948
	Total	4,235	4,212	4,316
Average Age		34.44	34.77	33.17
Average Employee Tenure (Year)		3.34	5.38	5.41
Distribution of Education Attainment (%)	Doctor	0.00%	0.07%	0.07%
	Master	0.97%	0.97%	0.95%
	Bachelor	33.11%	30.34%	30.17%
	Senior High School	18.80%	20.68%	20.87%
	Below Senior High School	47.13%	47.94%	47.94%

D. Environmental Protection Expenses

Disbursements for environmental protection: total losses (including damage awards) and fines for environmental pollution for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, and an explanation of the measures (including corrective measures) and possible disbursements to be made in the future (including an estimate of losses, fines, and compensation resulting from any failure to adopt responsive measures, or if it is not possible to provide such an estimate, an explanation of the reason why it is not possible).

In the most recent year and as of the date of publication of the annual report, no loss or fine incurred to the Group as s result of environment pollution.

E. Labor Relation

1. Specified employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures.

(1) Employee welfare measures and its implementation

As the Company's primary business sites are located in mainland China, to protect employee welfare, it is required to offer mandatory benefits, including social insurance (covering pension, medical, maternity, work-related injury and unemployment) in accordance with local labor laws and regulations, and it also provide shuttle service, employee canteen and subsidies for car and house purchase. In addition, employees are

entitled to have holiday, paid vacation, maternity leave, wedding leave and compassionate leave. The Company organizes various activities, including monthly birthday party, annual sport event and gifts for festival greetings, to bond with its employees. The Company also encourages employees based on business performance and individual achievement through a year-end bonus and performance-based bonus.

(2) Continuing education, job training

To improve employees' understanding of functionality in each department with its operating goal and relevant administrative procedures, the Company provides every new employee an on-board training to ensure his/her familiarity with work environment and applicable regulations. Furthermore, the Company regularly reviews each employee's performance and capabilities, and continues to develop future managers in respect of technology and management in order to improve its competitiveness with talent human resources,

(3) Retirement system and its implementation

As the Company's primary business sites are located in mainland China, it is required to make contributions to employee pension insurance and make payment to local Social Insurance Bureaus in accordance with local labor laws and regulations. Once an employee reaches mandatory retirement age, he/she is entitled to receive pension from the local Social Insurance Bureau. The pension fund for all current employees and retired employees is arranged exclusively by the local governments.

(4) Labor agreements, labor rights and employment protection measures^{[1][5P]}

All subsidiaries of the Company have complied with Employment Contract Act and other applicable regulations to protect labor legitimate interests and maintain harmony labor relations. Up to date, no labor dispute is required to be negotiated.

(5) Communication between employer and employee

To promote business philosophy and business culture, the Company has issued an internal publication "A Window to Engley" since 2017 to facilitate communication between the Company and its employees and strengthen bonding with employees and their recognitions.

Employees set up an union and initiate union activities under the Trade Union Law in China. The labor union represents all employees' benefits and protects their legal interests. It also assists the Company in arrangement and usage of employee welfare and rewarding. Furthermore, the union organizes cultural or sport activities and help employees study politics, technology and business knowledge. The union educates employees about labor disciplines in order to complete tasks assigned by the Company. The union can sign the collective employment contract on behalf of employees with the Company and monitor the implementation of the labor contract.

(6) Labor safety

The Company set the department of system management, which will regularly check whether the workplace meets safety requirements in order to reduce the possibility of work-related accidents. The Group also offers health checks regularly to increase employees' health awareness and improve employee physical and mental wellbeing.

The Company acquired the certification OHSAS18001. The usage of risk management tools can reduce risk of unsafe workplace and minimized the possibility of work-related accidents. Furthermore, the Company concerns food safety, it built employee canteens and delegate professional catering companies to prepare meals for

employees.

2. Any loss incurred as a result of labor disputes in the most recent year and as of the date of publication of the annual report, and any loss, which may be incurred to date or in the future, and mitigation measures

The Group has recognized the importance of labor relations. In the most recent year and as of the date of publication of the annual report, no loss was incurred due to labor disputes.

F. Cyber Security Management:

1. Provides the cyber security risk management framework, Cyber Security Policy, specific management plans and cyber security management resources invested.

(1). Cyber security risk management framework

The company continues to strengthen the overall information security to ensure the agility, integrity and availability of the information system, conduct internal and external audits of information security from time to time, and strengthen the security awareness of internal users through information security information promotion.

(2). Cyber Security Policy

A. Formulate an information security management system and provide behavioral guidelines for personnel using information services.

B. Introduce information security software and hardware solutions to strengthen defense in depth and implement horizontal isolation.

C. Information security personnel receive professional training, and information system users receive information security publicity

(3). Specific management projects and Resources invested for cyber security management

A. Set up a network firewall.

B. Deploy endpoint security solutions.

C. Information security vulnerability attention and repair.

D. Regular review and review of information system logs.

E. Differentiating different access rights according to work content/periodic review.

F. The information system distinguishes between formal and testing independent and exclusive operating environments.

G. Implement off-site backup / off-site backup of important key information systems / regular system recovery drills.

2. Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated: None.

G. Important Contracts

Nature of Contract	Party	Duration	Substance	Restrictive Provisions
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Joint loan agreement	SINOPAC BANK、E-SUN BANK、SHANGHAI COMMERICAL & SAVINGS BANK、Bank of East Asia、O-BANK、Shin Kong Bank、Taishin Bank、Cathay United Bank、CTBC Bank	2021.10.07-2024.10.07	Joint credit line equivalent to US\$70,000	None
Loan Agreement	Entie Bank	2022.03.03-2023.03.03	Short-term loan of USD 6 million	None
Loan Agreement	O-BANK	2021.05.04-2022.05.04	Short-term loan of EUR 6 million	None
Loan Agreement	Shin Kong Bank	2022.02.23-2023.02.23	Short-term loan of USD 5 million	None
Loan Agreement	Cathay United Bank	2022.03.31-2023.03.31	Short-term loan of USD 10 million	None
Loan Agreement	Far Eastern Int'l Bank	2022.01.07-2023.01.07	Short-term loan of USD 25 million	None
Loan Agreement	SINOPAC BANK	2021.06.25-2022.06.30	Short-term loan of USD 15.8 million	None
Sales Contract	Party A	2016.04.05-2025.12.31	Agreement of selling products	None
Sales Contract	Party A	2017.01.15	Agreement of selling products	None
Sales Contract	Party B	2014.05.09	Agreement of selling products	None
Sales Contract	Party C	2014.09.24	Agreement of selling products	None
Sales Contract	Party D	2017.01.01	Agreement of selling products	None
Sales Contract	Party E	2015.03.17	Agreement of selling products	None
Loan Agreement	Engley Industry、Bank of Communications	2020.04.13	RMB\$ 81.5 million for 36 months	None
Loan Agreement	Engley Industry、Bank of Communications	2020.07.08	RMB\$ 99 million for 36 months	None
Loan Agreement	Engley Industry、CHINA CITIC BANK	2021.06.28	RMB\$ 52 million for 21 months	None
Loan Agreement	Tianjin Engley、Cathay United Bank(china)	2021.05.31-2022.05.31	RMB\$ 50 million	None
Loan Agreement	Linde Tianjin、INDUSTRIAL AND COMMERCIAL BANK OF CHINA	2020.09.16	RMB\$ 50 million for 36 months	None
Loan Agreement	Linde Tianjin、INDUSTRIAL AND COMMERCIAL BANK OF CHINA	2020.11.23	RMB\$ 50 million for 36 months	None
Loan Agreement	Linde Tianjin、BANK OF CHINA	2020.12.02	RMB\$ 100 million for 36 months	None
Loan Agreement	Engley Industry、China Construction Bank	2022.03.25-2025.03.24	RMB\$ 80 million	None

VI. Overview of Company Financial Status

A. The Consolidated Financial Statements and Information for the Recent Five Fiscal Year, which includes CPAs' names with audit opinions

1. Condensed Balance Sheet and Condensed Statement of Comprehensive Income

(1) Condensed Balance Sheet

Unit: NT\$1,000

Item \ Year		Financial Information in the Last Five Years				
		2017	2018	2019	2020	2021
Current Assets		11,692,130	16,236,255	14,799,104	16,513,616	16,694,156
Property, Plant and Equipment		8,511,298	8,808,774	9,379,161	9,970,842	10,162,620
Intangible Assets		1,540,036	1,469,390	1,381,716	1,338,264	1,111,837
Other Assets		3,643,411	4,504,079	4,630,796	4,589,393	4,185,698
Total Assets		25,386,875	31,018,498	30,190,777	32,412,115	32,154,311
Current Liabilities	Before Distribution	9,330,362	13,641,589	12,441,039	13,740,402	12,650,199
	After Distribution	9,759,362	14,172,621	12,736,057	13,958,715	Not distributed yet
Non-current Liabilities		4,594,904	3,977,436	4,665,704	5,226,181	4,412,665
Total Liabilities	Before Distribution	13,925,266	17,619,025	17,106,743	18,966,583	17,062,864
	After Distribution	14,354,266	18,150,057	17,401,761	19,184,896	Not distributed yet
Equity Attributable to Shareholders of the Parent		9,648,035	10,986,745	10,852,411	11,075,801	10,902,686
Capital Stock		1,100,000	1,190,000	1,180,070	1,180,070	1,180,070
Capital Surplus		7,053,536	7,969,511	8,371,087	8,371,087	8,257,351
Retained Earnings	Before Distribution	2,393,091	3,087,491	2,948,764	2,946,759	3,081,888
	Before Distribution	1,964,091	2,556,459	2,653,746	2,728,446	Not distributed yet
Other Equity Interest		(805,683)	(898,592)	(1,179,819)	(1,647,510)	(1,422,115)
Non-controlling Interests		1,291,267	1,813,574	2,412,728	2,231,623	2,369,731
Total Equity	Before Distribution	11,461,609	13,399,473	13,084,034	13,445,532	15,091,447
	Before Distribution	11,032,609	12,868,441	12,789,016	13,227,219	Not distributed yet

Source: The consolidated financial statement signed and audited by CPAs, is prepared in accordance with the International Financial Reporting Standards

(2) Condensed Statement of Comprehensive Income

Unit:NT\$ 1,000

Item \ Year	Financial Information in the Last Five Years (Note)				
	2017	2018	2019	2020	2021
Operating Revenue	18,879,842	21,855,386	22,239,873	21,644,152	20,277,213
Operating Margin	3,934,018	4,242,876	3,744,203	3,456,702	2,999,052
Operating Net Profit	2,007,760	1,952,400	1,433,506	1,269,008	676,053
Non-operating Income and Expenses	(283,523)	(211,495)	(300,471)	(270,281)	486,495
Net profit before tax	1,724,237	1,740,905	1,133,035	998,727	1,162,548
Net Income of Continuing Business Unit for this fiscal year	1,354,171	1,451,327	968,020	825,466	980,449
Net Income	1,354,171	1,451,327	968,020	825,466	980,449
Other Comprehensive Income, Net of Tax	(118,845)	(308,487)	(548,701)	265,838	(211,642)
Total Comprehensive Income	1,235,326	1,142,840	419,319	1,091,304	768,807
Net income attributable to stockholders of the parent	1,072,177	1,123,400	644,193	480,621	665,268
Net income attributable to non-controlling interests	281,994	327,927	323,827	344,845	315,181
Total comprehensive income attributable to stockholders of the parent	979,268	842,173	176,502	706,016	470,760
Total comprehensive income attributable to non-controlling interests	256,058	300,667	242,817	385,288	298,047
Earnings Per Share(NT\$)	9.75	9.89	5.46	4.07	5.64

Source: The consolidated financial statement signed and audited by CPAs, is prepared in accordance with the International Financial Reporting Standards

(3) The names of appointed certified accountants and their audit opinions in the last 5 years

Year	Accounting Firm	Name of CPA	Audit Opinion
2017	PricewaterhouseCoopers Taiwan	YANG, MING-CHIN, HSU CHIEN YEH	Unqualified opinion
2018	PricewaterhouseCoopers Taiwan	YANG, MING-CHIN, LIU, MEI-LAN	Unqualified opinion
2019	PricewaterhouseCoopers Taiwan	YANG, MING-CHIN, LIU, MEI-LAN	Unqualified opinion
2020	PricewaterhouseCoopers Taiwan	LIU, MEI-LAN YANG, MING-CHIN	Unqualified opinion
2021	PricewaterhouseCoopers Taiwan	LIU, MEI-LAN HSU CHIEN YEH	Unqualified opinion

Note: The CPAs explained that the pro forma consolidated financial statement was made for Cayman Engley Industrial Co., Ltd.'s listing application.

B. Financial Analyses for the Past Five Fiscal Years

Item	Year	Financial Information in the Last Five Years				
		2017	2018	2019	2020	2021
Financial Structure (%)	Debt to asset ratio	54.85	56.80	56.66	58.51	53.07
	Long term capital to property, plant and equipment ratio	188.65	197.27	189.25	187.26	191.92
Solvency	Current ratio (%)	125.31	119.02	118.95	120.18	131.97
	Quick ratio (%)	72.88	73.57	75.01	84.16	84.49
	Interest coverage ratio (multiple)	8.83	7.70	4.48	4.69	7.14
Operating Performance	Receivable turnover rate (times)	4.17	4.41	4.28	3.91	3.52
	Average cash recovery day	88	83	85	93	104
	Inventory turnover rate (times)	3.84	3.53	3.45	3.89	3.52
	Payable turnover rate (times)	3.10	3.16	3.12	2.72	2.23
	Days sales outstanding	96	103	106	94	104
	Property, plant and equipment turnover rate (times)	2.45	2.52	2.45	2.24	2.01
	Total asset turnover rate (times)	0.8	0.77	0.73	0.70	0.63
Profitability	Return on assets (%)	6.44	5.84	3.96	3.33	3.48
	Return on equity (%)	12.35	11.68	7.31	6.23	6.87
	Pre-tax net profit to paid-in capital ratio (%)	156.75	146.29	96.01	84.63	98.52
	Net profit rate (%)	7.17	6.64	4.35	3.81	4.84
	Earnings per share(NT\$)	9.75	9.89	5.46	4.07	5.64
Cash Flow (%)	Cash flow ratio	19.71	8.55	23.77	31.88	12.35
	Cash flow adequacy ratio	50.42	40.11	52.97	78.65	73.15
	Cash reinvestment ratio	7.81	3.82	12.69	19.21	5.75
Leverage	Operating leverage	1.42	1.51	1.95	2.10	3.41
	Financial leverage	1.12	1.15	1.29	1.27	1.39

Analysis of significant changes in financial ratios over the last two years (excluding that every change in ratios was less than 20%):

1. Increase of interest coverage ratio: Net profit of the year is more than that of the same period last year.
2. Increase of Net profit rate and EPS: Net profit of the year is more than that of the same period last year.
3. Decrease of cash flow ratio: The purchase and expense payment of this year have been more than last year, and the net cash flow of operation activities has decreased.
4. Decrease of cash flow adequacy ratio: Decrease in net cash flow from operating activities and increase in capex for capacity expansion in recent years.
5. Increase of operating leverage: Due to the increase in the price of raw materials this year, the operating profit decreased compared with the same period of last year.

Source: The consolidated financial statement signed and audited by CPAs, is prepared in accordance with the International Financial Reporting Standards

Note 1: The formula for financial analysis is specified on the next page.

The formula for financial analysis is as follows:

1. Financial Structure
 - (1) Debt Ratio = Total Liabilities / Total Assets
 - (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Solvency
 - (1) Current Ratio = Current Assets / Current Liabilities
 - (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
 - (3) Interest coverage ratio = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance
 - (1) Receivable Turnover Rate = Net Sales / Average Trade Receivables (including trade receivables and note receivables arising from operating activities)
 - (2) Average Cash Recovery Day = 365 / Receivable Turnover Rate
 - (3) Inventory Turnover Rate = Cost of Sales / Average Inventory
 - (4) Payable Turnover Rate = 365 / Average Trade Payables (including trade payables and note payables arising from operating activities)
 - (5) Days Sales Outstanding = Cost of Sales / Inventory Turnover Rate
 - (6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Value of Property, Plant and Equipment
 - (7) Total Asset Turnover Rate = Net Sales / Average Total Assets
4. Profitability
 - (1) Return on Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
 - (2) Return on Equity = Net Income / Average Total Equity
 - (3) Operating Income to Paid-in Capital Ratio = Operating Income / Paid-in Capital
 - (4) Pre-tax Net Profit to Paid-in Capital Ratio = Income before Tax / Paid-in Capital
 - (5) Net Profit Rate = Net Income / Net Sales
 - (6) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding
5. Cash Flow
 - (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
 - (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operating Activities / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
 - (3) Cash Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)
6. Leverage
 - (1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
 - (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

C. Audit Committee's Review Report for the Most Recent Financial Statements

Cayman Engley Industrial Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article of 219 of the Company Law, we hereby submit this report.

To the 2022 Annual Shareholders' Meeting of Cayman Engley Industrial Co., Ltd.

Cayman Engley Industrial Co., Ltd

Convener of the Auditing Committee: Liou, Cheng-Hwai

March 29 , 2022

- D. The financial statements in the most recent fiscal year, including an auditor's report prepared by CPAs, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, and any related footnotes or attached appendices

See appendix: the consolidated financial statements for the most recent fiscal year.

- E. Standalone financial statements in the most recent fiscal year, certified by a CPA

The Company is a foreign issuer^[1]_{SEP} so this is not applicable.

- F. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year and as of the date of publication of the annual report, the annual report shall explain how such difficulties affect the company's financial situation

None

VII Review and Analysis of the Company's Financial Status, Financial Performance, and Risk Management

A. Financial Status

Unit: NT\$ 1,000

Item \ Year	2020	2021	Change		Note
			Amount	%	
Current Assets	16,513,616	16,694,156	180,540	1.09	
Property, Plant and Equipment	9,970,842	10,162,620	191,778	1.92	
Intangible Assets	1,338,264	1,111,837	(226,427)	(16.92)	
Other Assets	4,589,393	4,185,698	(403,695)	(8.80)	
Total Assets	32,412,115	32,154,311	(257,804)	(0.80)	
Current Liabilities	13,740,402	12,650,199	(1,090,203)	(7.93)	
Non-current Liabilities	5,226,181	4,412,665	(813,516)	(15.57)	1
Total Liabilities	18,966,583	17,062,864	(1,903,719)	(10.04)	
Capital Stock	1,180,070	1,180,070	-	-	
Capital Surplus	8,371,087	8,257,351	(113,736)	(1.36)	
Retained Earnings	2,946,759	3,081,888	135,129	4.59	
Non-controlling interests	2,369,731	4,188,761	1,819,030	76.76	2
Total Equity	13,445,532	15,091,447	1,645,915	12.24	3
Analysis of changes (including that every change in ratios was more than 20% and its amount reached 1% of total assets in the current year):					
1. The decrease in current liabilities and total liabilities were mainly due to the Engley Industry increased cash capital in 2021 and repaid long-term loans.					
2. The increase in non-controlling interests was mainly due to the Engley Industry increased cash capital in 2021 and subscription by non-controlling interests.					
3. The increase in total equity was mainly due to the increase in non-controlling interests.					

B. Financial Performance

1. Main reasons of major changes in operating revenue, net operating profit and pre-tax net profit in the last two years

Unit: NT\$ 1,000

Item \ Year	2020	2021	Change		Note
			Amount	%	
Operating Net Profit	21,644,152	20,277,213	(1,366,939)	(6.32)	
Operating Costs	18,187,450	17,278,161	(909,289)	(5.00)	
Operating Margin	3,456,702	2,999,052	(457,650)	(13.24)	1
Operating Expenses	2,187,694	2,322,999	135,305	6.18	
Non-operating income and expenses	(270,281)	486,495	756,776	(280.00)	2
Net profit before tax	998,727	1,162,548	163,821	16.40	
Net Profit	825,466	980,449	154,983	18.78	
Other comprehensive income	265,838	(211,642)	(477,480)	(179.61)	3
Analysis of changes (including that every change in ratios was more than 20% and its amount reached 1% of total assets in the current year):					
1. The decrease in operating margin was mainly due to the impact of fluctuations in raw material					

Item \ Year	2020	2021	Change		Note
			Amount	%	
prices.					
2. The increase in non-operating income and expenses was mainly due to the increase in net foreign currency exchange benefits and the increase in the disposal profit of Ningbo Maoxiang real estate.					
3. The decrease in other comprehensive income was mainly due to the decrease in exchange differences on the translation of financial statements of foreign operating companies.					

2. Sales projection and its rationale

The reinvestment company, which the Company is affiliated to, set a reasonable sales goal based on market demand and assessment of sales and supply made by customers. Please see the section of “Overviews of Business Operation” for relevant market analysis and industrial development.

3. Plans in response to possible impact on the Company’s future financial performance

The industry where the Company runs its business still has a large potential customer base. Sales may grow with development of new projects, and business expansion plan of downstream customers. Furthermore, the Company also pays close attention to market news so as to discover development trends of the latest products in the future. By doing so, the Company can improve its profitability and maintain stable operations.

C. Cash Flow

1. Analysis of Cash Flow in the most recent year

Unit: NT\$ 1,000

Account Name \ Year	2020	2021	Difference	
			Amount	%
Net cash flow from operating activities	4,379,907	1,561,693	-2,818,214	-64.34
Net cash flow to investment activities	1,566,913	2,075,323	508,410	32.45
Net cash flow from financing activities	1,540,427	564,688	-975,739	-63.34
Analysis of changes				
1. Decrease in net cash inflow from operating activities: Mainly due to the purchase and expense payment of this year have been more than last year.				
2. Increase in net cash outflow from investing activities: Mainly due to the increase in purchase of equipment and refundable deposits.				
3. Decrease in net cash outflow from financing activities: Mainly due to the Engley Industry increased cash capital in 2021.				

2. Improvement plans for insufficient liquidity and liquidity analysis in 2021

- (1) Improvement plan for insufficient liquidity: The insufficient liquidity didn’t occurred to the Company, so it is N/A.
- (2) Analysis for the changes of cash flow in the next year: The Company owns adequate funds. It is expected that the operating activities will still show a net cash inflow. Therefore, it could support cash outflows of investment activities and financing activities, and there is no risk of insufficient liquidity.

D. The impact of major capital expenditures in the most recent year on financial status

The plants in Changchun, Tianjin and Suzhou have undergone a series of renovations with more assembly lines to fulfill anticipated demand of new energy vehicles in the future. The company will improve products' added value by including craftsmanship but not limited to aluminum rinse

and electroplating process. With increased businesses, the Company was able to repay loans gradually to decrease liabilities and reduce interest expenses. Currently capital expenditures did not have negative impact on the Company's financial status.

E. Reinvestment Policy in the Most Recent Year, Reinvestment Results with Reasons and Improvement Plans, and Investment Plan for the Upcoming Year

1. Reinvestment Policy

The Company's reinvestment policy focuses on its core businesses, and aims to enhance vertical integration with upstream and downstream firms. Investment related plans are analyzed and the benefit to the Group is also assessed appropriately. These plans are compliant with internal control systems approved by the Board of Directors or Shareholders' Meeting – for example, "Investment Cycle" and "Regulations on Acquisition or Disposal of Assets".

2. The main reasons of reinvestment performance (profit or loss) in the most recent year and following improvement plants

Unit : NT\$1,000

Invested Company	Shareholding (direct and indirect)	Income or Loss from Reinvestment Recognized in 2021	Reasons of Reinvestment Performance	Improvement Plan
Changchun Engley Automobile Industry Co., Ltd.	86.91%	586,432	Good business performance with growing revenue.	—
Changchun Engley Auto Parts Co., Ltd.	100.00%	92,117	Good business performance with growing revenue.	—
Suzhou Engley Auto Part Co., Ltd.	100.00%	20,801	Good business performance with growing revenue.	—
Chengdu Engley Auto part Co.	100.00%	100,463	Good business performance with growing revenue.	—
Yizheng Engley Auto Part Co., Ltd.	100.00%	22,141	Good business performance with growing revenue.	—
Liaoning Engley Auto Part Co., Ltd.	100.00%	(9,107)	Suspension of business activities, but any incurred expense would be recognized	Given that orders received are not as many as expected, the production was transferred to other plants in order to maximize production efficiency. The plants might be sold in the future.
Foshan Engley Auto Part Co., Ltd.	100.00%	54,788	Good business performance with growing revenue.	—
Tianjin Engley Manufacturing Co., Ltd.	100.00%	115,989	Good business performance with growing revenue.	—

Invested Company	Shareholding (direct and indirect)	Income or Loss from Reinvestment Recognized in 2021	Reasons of Reinvestment Performance	Improvement Plan
Changchun Lightweight Technology Co., Ltd.	100.00%	104,435	Good business performance with growing revenue.	—
Changsha Engley Auto Part Co., Ltd.	100.00%	(56,012)	Early-stage startup	Its performance could be improved as it continued mass produce.
Tsingtao Engley Auto Part Co., Ltd.	100.00%	(140,490)	Early-stage startup	Its performance could be improved as it continued mass produce.
Ningbo Engley Auto Part Co., Ltd.	100.00%	19,966	Good business performance with growing revenue.	—
Linde+Engley (Changchun) Auto Parts Co.,	54.00%	16,254	Good business performance with growing revenue.	—
Linde+Engley (Tianjin) Auto Parts Co., Ltd.	54.00%	201,112	Good business performance with growing revenue.	—
Ningbo Maoxiang Material Co., Ltd. (China)	51.00%	130,330	Good business performance with growing revenue.	—
Taizhou Maoqi Metal Co., Ltd. (China)	51.00%	10,076	Good business performance with growing revenue.	—
Jilin Jinli Auto part Co., Ltd.	23.00%	(4,716)	The car market is in poor condition	Its performance could be improved as it continued mass produce.
Chengdu Youli Auto part Co., Ltd.	20.00%	(1,991)	The car market is in poor condition	Its performance could be improved as it continued mass produce.
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	46.00%	92,650	Good business performance with growing revenue.	—
Zhejiang Sanse Mold Technology Co., Ltd	20.00%	(8,152)	The car market is in poor condition	Its performance could be improved as it continued mass produce.
Changchun CECK Auto. Parts Co.,Ltd.	40.96%	(44,937)	Early-stage startup	Its performance could be improved as it continued mass produce.
Chongqing HC&C Auto Parts Co., Ltd	16.32%	2,361	Good business performance with growing revenue.	—

Invested Company	Shareholding (direct and indirect)	Income or Loss from Reinvestment Recognized in 2021	Reasons of Reinvestment Performance	Improvement Plan
Engley Automobile Industry Co., Ltd	100.00%	(21,384)	Increase expenditure in	Strengthen expenditure control
Engley Holding (Somoa) Limited	80.00%	(29,903)	Recognized loss of Kranendonk	Continuous mass production and shipment of Kranendonk products should be improved
Engley Precision Industry B.V.	100.00% (Note)	(65,413) (Note)	Recognized loss of Kranendonk	Continuous mass production and shipment of Kranendonk products should be improved
Kranendonk Beheersmaatschappij B.V.	100.00% (Note)	(60,137) (Note)	COVID-19 influence last year.	Its performance could be improved as it continued mass produce.
Wiser Decision Holding Company Limited	100.00%	10,719	Good business performance with growing revenue.	—
Honley Auto. Parts Co.,Ltd	36.63%	(56,340)	Early-stage startup	Its performance could be improved as it continued mass produce.
CECK Holdings Co., Limited	36.63%	(30,381)	Recognized loss of Changchun CECK.	Continuous mass production and shipment of Changchun CECK products should be improved

Note: The shareholding refers to the shares held by the investing company, which is one level higher than the invested company, and its recognized income or loss from investment, rather than total shareholding ratio.

3. Investment Plan for the Upcoming Year

The Company's reinvestment policy meets the needs of operational development, every subsidiary's business looks promising in the upcoming year, and the projected revenue is stable. The Company will draft a new investment plan where it is appropriate in respect of market trends, the Group's business strategy and financial status.

F. Risk Management

1. The Effect of Interest Rate, Exchange Rate and Inflation upon the Company's Profits (Losses), and future approaches to these fluctuations

(1) Interest Rate

The Group's interest expenses in 2020 and 2021 amounted to 270,448 thousand and 189,440 thousand which respectively accounted for 1.25% and 0.93% of operating income. Safety Management is of the greatest importance to funding resources. Therefore, the Group has maintained good relationship with banks to increase credit limit with the lowest interest. The Group will consider limits of different financing source and related costs when it is raising funding. In the future, it will also pay attention to changes on interest rates, and take necessary action to mitigate the impact of interest rate changes upon this Group.

(2) Exchange Rate

The Group's business operations mainly concentrate in China, except for some sourced raw material and equipment outside of China. In 2020 and 2021, the amounts resulted from foreign exchange losses amounted to 63,671 thousand and profit amounted to 315,452 thousand , which respectively accounted for 0.29% and 1.56% of operating revenue. The robustness principle is applied to the Group's foreign currency management in order to protect the Group from adverse effects of exchange rate volatility. The Group also collects relevant information about exchange rates to fully understand exchange rate trends and ensure profitability, which will not be subject to impact of exchange rate fluctuations. Furthermore, the Group's financial statements are denominated in Taiwan dollars and may result in translation exposure due to exchange rate changes. However, the translation exposure does not affect actual operating status.

(3) Inflation

In the past, the Group hadn't experienced significant influence as a result of inflation. Although inflation may cause an increase in purchase cost, the Group can swiftly adjust its quotations to its customers and suppliers depending on market prices. The Group will also pay close attention to price changes on products in the upstream sector and accordingly consider such changes in its costs and quotations in order to reduce the impact resulting from cost changes.

2. The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby, and future mitigation measures.

(1) The Group has committed to its core business and operated its business in good faith. Because its financial policy is grounded on the robustness principal, the Group has not engages in high risk or highly leveraged investments.

(2) The Group has established "Operational Procedures for Lending Capital to Others", "Operational Procedures for Endorsements and Guarantees" and "Acquisition and Disposal of Assets Procedures". Since the Group has complied with these regulations, the risks are limited.

3. Research and development work to be carried out in the future, and further expenditures expected for research and development work

(1) Product line:

- a. Current Products: The company maintains its strength in products including front ends, battery trays, cockpit carriers, door sills, develops new products , and provide more comprehensive services to customers (product modularization- customers need not assemble small spare parts).
- b. Application of Aluminum alloys: Given the trend of energy efficiency and environmental protection, the Company takes active actions to develop products out of Aluminum alloys to achieve the goal of lightweight cars.
- c. Application of hot-pressing parts: Given the trend of energy efficiency and environmental protection, the Company takes active actions to develop hot-pressing products to achieve the goal of lightweight cars with the same strength.

(2) Engagement in development of auto parts though joint venture formed by Chinese and foreign car brands: the Company continues to develop auto parts for new car brands to maintains its relationship with current customers, including FAW-Volkswagen, FAW Car

and SAIC Volkswagen. In addition, the Company explores new customers, such as HYUNDAI MOBIS Group, Chery Automobile and Great Wall Motor.

- (3) Engagement in design and development of Chinese brand auto parts: the Company cooperate with Chinese brand car manufacturers (FAW Car, Hongqqi, Geely and Chang'an Automobile) to design and develop new car types. With its experiences in design, R&D and manufacturing, the Company can provide customers more comprehensive and constructive advices.

(4) Automation :

- a. Application of Robotic arms: Using robotic arms to load and unload materials aims to increase production efficiency and minimize the impact of increased labor costs.
- b. Application of automated robots: For example, welding. Increasing the proportion of fully automated welding aims to increase production efficiency and precision.
- c. Application of quick die change systems: In response to trends of mixed-model production (simultaneous production of different car models) and low inventories in the automotive industry, production lines are required to respond and adjust in timely manners. Quick die change systems can increase production efficiency.
- d. Application of progressive dies: Introduction of progressive stamping increases production efficiency per unit and minimizes the impact of increased labor costs.
- e. Fully automated detection: Using fully automated detection devices aims to grow production and improve product quality.

- (5) Expected Expenses for R&D: the Company's expected expenses for R&D in 2022 may account for 2% to 5% of total operating income.

4. Changes of Government Policies and Regulatory Environment and the Effect on the Company's Financial Status as well as mitigation measures

In the most recent year and as of the date of publication of the annual report, the Group has not been affected by any major changes of domestic and foreign government policies and regulatory environment. The Group implements its business in accordance with applicable government policies and legal requirements, and pays close attention to trends of government policies and changes in regulatory environment. When any change occurs, the Group will consult with relevant experts, including legal counsels and accountants, or delegate them to evaluate and design appropriate measures to take timely actions for changes in market environment. In the most recent year and as of the date of publication of the annual report, the Group's financial status has not been affected by any changes of government policies and regulatory environment in Cayman Islands and Mainland China.

5. Changes of Technology(including cyber security risks) and Industry and the Effect on the Company's Financial Status as well as mitigation measures

The automobile industry has moved toward a more intelligent and energy efficient development as a result of advanced global technology and increasing awareness of environment protection and energy saving. Nowadays electric cars, self-driving cars, electronic monitoring systems (such as tire-pressure monitoring system) have been launched to the relevant market with a trend of energyefficiency (higher fuel efficiency and lighter car weight). The Group needs to update it manufacturing process and make investment in new equipment to meet standards of automobile manufacturers.

Responsive measures :

In addition to industrial trend and the latest technology, the Group has conducted research on thickness, strength, high reliability and nature of products, and developed advanced manufacturing process, material and framework. In doing so, the Group can provide the most competitive products and service and then expand its market share in response to dynamic industrial environment and application of new technology.

6. Effect of Changes in Corporate Image on the Company's Crisis Management and mitigation measures

Since its establishment, the Company has continued reinforcing internal management and improving quality management based on the philosophy of good faith. By creating an effective corporate image, a strong customer trust in our brand has been built so that there is no such potential risk.

7. Expected Benefits and Potential Risks Associated with any Merger and Acquisitions, and mitigation measures

As of the date of publication of the annual report, the Group has not had any M&A plan. If the Company has any M&A plan in the future, the Company will make a careful assessment and consider synergy to ensure shareholders' interest.

8. Expected Benefits and Potential Risks Associated with Expansion of Plants and mitigation measures

To respond to the continuous growth of the operation scale and meet the diversified demands of customers, Linde + Engley (Tianjin) Auto Parts Co., Ltd. will expand the plant for metal surface treatment, with an estimated capacity of 300,000 unit, which will be officially put into production in Q3, 2022. These expansions enabled the Company strengthening its ability and increasing its production capacity as well as decreasing management and production costs for the purpose of expanding business and reinforcing competitiveness.

9. Risks Associated with Concentration of Purchases and Sales and mitigation measures

(1) Risks Associated with Concentration of Purchases and mitigation measures

There is no such risk associated with concentration of purchases. The Group's primary raw materials are steel and plastics. Part of them are required to be verified by major customers and then such specified raw materials will be imported through custom brokers. Because most of raw materials purchase by the Group are not rare and precious, and provided by many suppliers, it gives more negotiating space and less risk of a shortage.

(2) Risks Associated with Concentration of Sales and mitigation measures

FAW-Volkswagen Automobile Co., Ltd. was the Group's main customer in 2020 and 2021 due to industry characteristics illustrated below: A. certification: Auto parts suppliers and their products are required to be certified by automobile manufacturers; B. business scale : its scale meets the needs of automobile manufacturers in terms of scale production; C. capital scale : The process of R&D, manufacturing, and sales in the automobile industry requires a huge initial investment; D. management system: the trend is repetitive manufacturing with limited quantity, which requires stable production management system; E. long-term cooperation: In general, there are long-term cooperative relationships between automobile manufacturers and suppliers. Automobile manufacturers may cooperate with one or several suppliers, and will not change these suppliers without reasonable reasons. Furthermore, customers have long-standing trust in the Group's product quality and scheduled delivery date so transactions between two parties have gone smoothly. The reason why the ratio of sales from FAW-Volkswagen

Automobile Co., Ltd to total sales has been decreasing, is that the Group actively develop new customers.

The Group will continue making efforts to improve existing customer satisfaction and strengthen competitive advantages as well as maintain the long cooperative relation with customers. In addition, the Group will keep expanding its business to seek further strategic cooperation with other automobile manufacturers and explore possibility in upstream raw materials with the aim of more diverse end customers and products

10. Potential Impact and Risk Associated with Bulk Transfer of Shares Owned by Directors, Supervisors and Major Shareholders with more than 10% shares, and the Company's mitigation measures

The Company's Directors, Supervisors and Major Shareholders with more than 10% shares do not transfer significant numbers of their shares of the Company and management levels do not experience significant changes.

11. Potential Impact and Risk Associated with Management rights and Company's mitigation measures

There is no change in the Company's management rights in the Most Recent Year and as of the date of publication of the annual report. The Company has taken steps to improve corporate governance and introduced independent directors to establish the Audit Committee for protection of shareholders' interest. Furthermore, the Company's performance, which mainly relies on professional managers, has received its shareholders' support. In the event of changes in management rights, the Company will not be affected significantly due to its well-established internal control regime and applicable management rules.

12. Risks Associated with Litigious and Non-litigious Matters

If any final judgment, important ongoing lawsuit, non-litigation matter or administrative litigation matter in relation to the Directors, Supervisors, general managers, de facto responsible persons of the company, and the major shareholders and affiliated companies with more than 10% of the Company's shares, may have a significant effect on the company's shareholders' equity or securities price, its fact, claim amount, starting date of legal actions, relevant parties and update of its status as of the date of publication of the annual report should be disclosed : None

13. Other Important Risks and Mitigation Measures

The Company is registered in the Cayman Islands and its main business is operated in mainland China. Therefore, changes in macroeconomic situations, political environments and exchange rates in the Cayman Islands and mainland China will affect the Company's business operation. Below are detailed information about macroeconomic situations, political and economic environments, foreign exchange controls, tax and relevant regulations in the Cayman Islands and mainland China as well as whether they recognize final and binding judgments on civil matters rendered by Taiwan courts.

(1) Registered Country: Cayman Islands

a. Changes in the macroeconomic situation and political environment

The Cayman Islands is a British Overseas Territory in the West Indies, which is located in the Caribbean Sea in the south of Miami, Florida. Politics in the Cayman Islands has remained stable. Its capital city, George Town located in the Grand Cayman, is the center of administration, commerce and finance. The economy of the Cayman Islands is mainly fueled by the tourism sector and the financial services sector. The Cayman Islands is one of global financial centers.

The Cayman Islands Government took more active actions to improve its reputation as an offshore financial center. In 1986, a mutual legal assistance treat concerning the Cayman Islands was signed between the US and UK and it could prevent international criminal organizations from engaging into illegal transactions, including drug dealing or money laundering through the Cayman Islands.

As the Cayman Islands Government is taking actions to prevent crimes, it is also endeavoring to protect confidentiality of legal commercial conduct. The political and economic environment in the Cayman Islands has been stable for a long time, and it has been a safe place.

The Company is a holding company registered as an “exempted company”, which refers to a company without substantial operational activities in the Cayman Islands. The Cayman Islands is the world’s fifth largest financial center and its politics remains stable for a long time. As a result, changes in macrocosmic situation and political and economic environment in the Cayman Islands will not have significant influence on the Company’s operation.

b. Risks associated with foreign exchange controls, tax and relevant regulations

The Cayman Islands hasn't imposed taxes relating to profits, income and gains or appreciations on individuals or companies, and no estate tax or inheritance tax is applicable. In the case where a contract is signed or made in the Cayman Islands, the stamp duty may be applied to related parties. Except that, the Cayman Islands doesn't levy any tax, which matters to the Company. In general, transfer of shares owned by the Cayman companies doesn't involve the stamp duty except for those companies with interests of lands in the Cayman Islands.

Since there is no foreign exchange controls in the Cayman Islands, the Company’s financial activities will not be affected thereby. Furthermore, the Company is just a holding company in the Cayman Islands, which does not have business activities there. In this regard, local tax and relevant regulations will not have significant impact on the Company’s operation though the registered country is the Cayman Islands.

c. Recognition of final and binding judgments on civil matters rendered by Taiwan courts

As per legal opinions of the Cayman Islands, a final civil judgment rendered by a foreign court can be recognized by courts in the Cayman Islands and be enforceable there in the case where it meets the following requirements: A. it is a final and binding judgment; B. it is rendered by a foreign court, which has jurisdiction over the case; C. it relates to claims for monetary debts (excluding tax payables, administrative penalties, fines and other similar obligations) or non-monetary remedies (restricted in certain circumstances), and D. the judgment and its enforcement should not violate the principle of fairness or public policies of the Cayman Islands.

(2) The Country where the Main Business is: Mainland China

a. Changes in the macroeconomic situation and political environment

Since the “open door policy” was adopted in 1978, the economy of mainland China has continued to grow. Data from the National Bureau of Statistics in China shows that between 2019~2021, the GDP figures in China were worth RMB\$98,650 billion, 101,600 billion and 114,400 billion with the annual growth rates of 9.6%, 3.0% and 8.1% . Although the rate of economic growth slowed slightly, China overtook Japan as the second largest economy behind the United States. To achieve this goal, the

Chinese Government helps businesses reduce their costs, diminish the gap between countries and cities, increase minimum wage, and encourages innovation for industrial upgrades as well as support industries associated with energy efficiency and carbon emissions reduction. The overall economy in China is still subject to limited resources and environmental conditions, and facing challenges of supply and demand for labor as well as changes in China's population. The key for China's economic growth in the long run will be more reliant on innovative development and adjustment of economic structure. In terms of recent economic situation in mainland China, price control would be the priority of macroeconomic regulation and control. When approaches of macroeconomic regulation and control become effective, economic growth rate will slow accordingly. Despite of this, medium- and long-term momentum for stable economic growth remains.

b. Risks associated with Foreign Exchange Controls, Tax and Relevant Regulations

i. Risks associated with Foreign Exchange Controls

After 1978, foreign exchange controls in China switched gradually from central planning to market orientation. Since 1994, China has implemented a series of proposals to reform foreign exchange regulations and make the market mechanism work appropriately. They included: 1) the “regulated float regime” based on market supply and demand with the aim of using single exchange rate system; 2) a banking system for foreign exchange settlement and sale to take steps to make RMB convertible freely under the current account; 3) establishment of an inter-bank foreign exchange market in order to improve exchange rates formation mechanism and keep reasonable and relatively stable RMB rate.

Exchange of RMB and foreign currency depended on political impact in China and international political and economic environment. On July 21, 2005, Chinese Government adopted a floating exchange rate system, and RMB stopped pegging to US dollar. The value of RMB is determined by a basket of foreign currencies so that the RMB rate is allowed to float conditionally. Foreign exchange in China is not fully deregulated. However, China continues to open up its foreign exchange market as a result of global economic development. In this regard, the current foreign exchange controls do not have significant impact on the Company's business.

ii. Tax risk

Before January 1, 2008, the “Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises” provided that 30% of enterprise income tax and 3% of local income tax are were applied to foreign investment and foreign enterprises established in China (hereinafter collectively referred to as “foreign investment”). Chinese Government offered various tax benefits, including tax exemptions, reduced tax rates, tax refunds to foreign investment and companies, which meet specified requirements and other policies. The “Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises” (hereinafter referred to as the “China Tax Law”) and its enforcement rules both came into effect on 1 July, 1991 and were abolished on January 1, 2008. The income tax on foreign enterprises, which have establishments or places in Special Economic Zones engaged in production or business operations, and on enterprises with foreign investment of a production nature in Economic and Technological Development Zones, shall be levied at the reduced rate of 15%. The enterprise with foreign investment of a production nature scheduled to operate for a period of not less than ten years shall, from the year

beginning to make profit, be exempted from income tax in the first and second years and allowed a fifty percent reduction in the third to fifth years (three years of exemption plus three years of 50% reduction). According to the China Income Tax Law and its enforcement rules, any exported enterprise with foreign investment, which total exports in any year are more than 70% of total products made by such enterprise, can enjoy 50 % reduction of enterprise income tax after the periods of tax exemption and reduction expire. In the case where any enterprises are in Special Economic Zones and Economic and Technological Development Zones and other enterprises for export, which pay 15% income tax rate, meet the aforementioned requirements, 10% of enterprise income tax will be applied.

On March 16, 2007, mainland China enacted the new “Enterprise Income Tax Law of the People's Republic of China” and then enacted on December 6, 2007 the “Implementation Rules of Enterprise Income Tax Law of the People's Republic of China”. Since January 1, 2008, 25% of the enterprise income tax has been applied to domestic enterprises and foreign enterprises and a number of tax exemptions and benefits for foreign investment has been revoked. The enterprise income tax benefits for foreign enterprises will increase to 25% from lower tax rates in five years after the new Enterprise Income Tax Law came into enforce.

In terms of Value-Added Tax, all units and individuals engaged in the sale of goods, provision of processing, repair and replacement services, and the importation of goods within the territory of the People's Republic of China are taxpayers of Value-added Tax , and shall pay VAT (0%~17%) and zero tax for exportation of goods in accordance with Provisional Regulations of the People's Republic of China on Value-added Tax. Furthermore, the new Enterprise Income Tax Law and its Implementation Rules stated that the term "resident enterprise" as mentioned in this Law refers to an enterprise which is established under the law of a foreign country (region) but whose actual office of management is inside China. Any resident enterprise shall pay enterprise income tax (25%) on its incomes derived from China as well as on incomes that it earns external China.

c. Labor Contract Law

To clarify the rights and obligations of both parties of labor contracts, protect the legitimate rights and interests of employees, and establish and develop a harmonious and stable employment relationship, the “Labor Contract Law of the People's Republic of China” (hereinafter referred to as the “Labor Contract Law”) came into effect on January 1, 2008. Employers should comply with contracts and national regulations to pay reasonable remuneration in time to employees. Employers also need to enumerate explicitly the rights and obligations of both parties of labor contracts. In the case of statutory rights and benefits, they will increase labor costs for enterprises and it may have undesired effect on the company’s financial situation. If the rights and obligations of employees and employers are explicitly set out in labor contracts, it can avoid many conflicts to harmonize mutual relationship for a long run. The Company’s subsidiary has signed contracts with all employees in accordance with the Labor Contract Law, and developed labor policies as well as employees’ social insurances. While any changes in labor related law may have impact on the Company to a certain extent, the Company will keep paying attention to legal changes in China and make plans in response to these changes.

d. Dividend Allocation

Given that the Company is a holding company, the ability of paying dividends is subject to earnings and distributions of its affiliated companies and the measures and

amounts of the distribution approved by the Board of Directors. In the regard, future distribution of dividends depend on overall operational performance, financial status, demand for cash and applicable laws and statutes. Under Chinese laws, Chinese subsidiaries only can distribute and pay dividends allocated from net profit. Net income will be based on retained earnings determined in accordance with Chinese GAAP and relevant financial regulations, which the standards are different from IFRS.

In addition, each of the Company's subsidiaries in China is required to allocate at least 10% of net profit after tax as statutory earnings (which is non-distributable reserve. When the legal reserve accumulates up to 50% of the registered capital, the Company needn't contribute to statutory earnings from net profit after tax) in the current year before distribute profit in accordance with applicable laws and regulations. In the case where the Company's subsidiaries in China pay dividends to the Company through outflow of capital (10%), the Company's ability to distribute dividends to shareholders is likely to be affected.

- e. Recognition of final and binding judgments on civil matters rendered by Taiwan courts

An explanation of the Supreme People's Court is as follows :The Court enacted the 《Provisions of the Supreme People's Court on Recognition and Enforcement of the Civil Judgments of Courts of the Taiwan Region》 (hereinafter referred to as 《Provisions》) on May 22, 1998 and it came into effect on May 26 1998. The Court also published 《Responses to an Application for Recognition of Mediation Agreement on Civil Matters Reached at Courts in Taiwan Region or Reached at or Verified by Applicable Authorities》 on April 27, 1999 and it came into effect on May 12, 1999 . On April 10, 2001, the Court published 《Responses to an Application for Recognition of the Order of Payment Issued by a Court in Taiwan Region》 and it came into enforce on April 27, 2001. In addition, the Court published 《Supplementary Provisions of the Supreme People's Court on Recognition and Enforcement of the Civil Judgments of Courts of the Taiwan Region》 (hereinafter referred as to 《Supplementary Provisions》) on April 24, 2009 and it came into effect on May 14 2009.

According to 《Provisions》 and 《Supplementary Provisions》 , criteria of recognition of a civil judgment rendered by Courts in Taiwan Region are as follows : (1) Such a judgment can be confirmed that they are authentic and binding judgments after reviewed by the People's Court. (2) Such judgments do not fall within any of the following circumstances: A. Violation of One China Policy; B Application for recognition of a civil judgment, which is not final and binding; C. Application for recognition of a default judgment, in which the defendant(s) was not summoned legally, or the defendant(s) appearing in the court did not have capacity to action and no qualified representative person(s) was present at court; D. Such a judgment involves the matter, which the People's Court has exclusive jurisdiction over; F. The People's Court, or any foreign court made a judgment on the same matter, or any foreign arbitration institution made arbitration for the same matter, which was also recognized by the People's Court; G. Application for recognition of civil judgments, which violate fundamental principals of national laws or impair social public interest.

- (3) Other important matters

None.

VIII Special Disclosure

A. Information Related to the Company's Affiliates

1. Consolidated Business Report of Affiliated Companies

(1) Organizational Chart: Please see II Company Profile.

(2) Basic Information of Affiliated Companies(As of December 12, 2021)

Unit: NT\$1,000

Name	Date of Establishment	Address	Paid-in Capital	Main Business or Product Category
Engley Automobile Industry Co., Ltd	2006/12/21	No.2379, Zhuoyue Street, Hi-Tech Zone, Changchun, Jilin	6,485,059	Manufacturing and Sale of Auto Parts
Engley Auto Parts	2001/02/09	No.567,Yumin Road, Economic Development Area, Changchun, Jilin	593,086	Manufacturing and Sale of Auto Parts
Suzhou Engley	2008/02/18	No.32, Taizhong Road, Yuewang yuezhen Village, Shaxi Town, Taicang City, Suzhou, Jiangsu	433,479	Manufacturing and Sale of Auto Parts
Chengdu Engley	2009/11/19	No.268, South 4 th Road, Economic and Technological Development Zone, Chengdu, Sichuan	145,043	Manufacturing and Sale of Auto Parts
Yizheng Engley	2011/05/27	No.31, Lianzhong Road, Automobile Industrial Park,Yizheng, Jiangsu	217,000	Manufacturing and Sale of Auto Parts
Liaoning Engley	2011/08/23	Yilu Industrial Park, Xintaizi Town, Tieling County, Tieling, Liaoning	273,420	Manufacturing and Sale of Auto Parts
Foshan Engley	2012/04/24	No.15-1, Dongyang 3 rd Road, Huanan Hardware Industry Base, Danzao Town, Nanhai Area, Foshan, Guangdong	1,150,100	Manufacturing and Sale of Auto Parts
Tianjin Engley	2012/09/19	No.21 Baokang Rd, Baodi Economic	1,094,244	Manufacturing and Sale of Auto Parts

Name	Date of Establishment	Address	Paid-in Capital	Main Business or Product Category
		Development Zone, Tianjin		
Lightweight	2013/09/17	No. 699, Shunda Road, Hi-Tech Zone, Changchun, Jilin	236,877	Manufacturing and Sale of Auto Parts
Changsha Engley	2014/05/19	No 9, Qingyuan Road, Langli Industrial Park, Changsha County, Changsha, Hunan	329,840	Manufacturing and Sale of Auto Parts
Tsingtao Engley	2016/04/25	North of Dazhong 1 st Road and West of Yingliu Road, New Automobile Industrial City, Qingdao, Shandong	741,098	Manufacturing and Sale of Auto Parts
Ningbo Engley Automobile Industry Co.,Ltd	2019/1/29	No.209, Xingci 1 st Road, New Area, Hangzhou Wan, Ningbo, Zhejiang	260,400	Manufacturing and Sale of Auto Parts
Linde+Engley (Changchun)	2012/09/11	No.888, Jinghe Street, Economic Development Area, Gongzhuling, Jilin	88,703	Manufacturing and Sale of Auto Parts
Linde+Engley (Tianjin)	2013/03/27	No.34 Baokang Rd, Baodi Energy Conservation and Environmental Protection Industrial Area, Tianjin	156,240	Manufacturing and Sale of Auto Parts
Ningbo Maoxiang	2000/06/23	No.609, Xiayingbei Road, Yinzhou District, Ningbo, Zhejiang	568,935	Manufacturing and Sale of Auto Parts , Design and Development of Moulds
Taizhou Maoqi	2014/12/26	No. 2298, Juying Road, East Section of Pengbei Avenue, Luqiao District, Taizhou, Zhejiang	607,600	Manufacturing and Sale of Auto Parts
Jilin Jinli Auto part Co., Ltd.	2007/01/04	No.1854,Jinghe Street, Economic Development Area, Gongzhuling, Jilin	86,800	Manufacturing and Sale of Auto Parts, Stamping Products 、 Hot-Presssing Products
Chengdu Youli	2010/11/09	No. 388, Section 3, Chenglong Avenue,	129,697	Manufacturing and Sale of Auto Parts,

Name	Date of Establishment	Address	Paid-in Capital	Main Business or Product Category
Auto part Co., Ltd.		Longquanyi District, Chengdu Economic and Technological Development Zone, Sichuan		Stamping Products 、 Hot-Presssing Products
Constellium Engley (Changchun)	2009/12/14	No. 677 Sanyou Road, Economic Development Zone, Chaoyang Changchun	160,741	Manufacturing and Sale of Auto Parts, Stamping Products 、 Hot-Presssing Products
Zhejiang Sanse Mold Technology	2009/06/09	The Coastal Industrial Town of Sanmen, Taizhou City, Zhejiang	167,302	Manufacturing and Sale of Auto Parts , Design and Development of Moulds
Changchun CECK Auto. Parts Co.,Ltd.	2014/04/30	No. 2299, Chaoyue Street, Changechun, Jilin	753,270	Manufacturing and Sale of Auto Parts , Design and Development of Moulds
Chongqing HC&C	2016/05/19	No.3 Tongguan Avenue, Yufengshang Town, Yubei District, Chongqing	1,180,823	Manufacturing and Sale of Auto Parts , Design and Development of Moulds
Taiwan Engley	2016/09/02	8F., No. 349, Sec. 2, Zhongshan Rd., Changhua City, Changhua County	54,396	Wholesale and Sale of Auto Parts
Engley Holding (Samoa) Limited	2016/10/25	Portcullis Chambers, P.O. Box 1225, Apia , Samoa, P.O. Box 1225, Apia , Samoa.	250,291	General Investment
Engley Precision Industry B.V.	2017/01/20	Herikerbergweg 238, 1101CM Amsterdam, The Netherlands.	313,140	General Investment
Kranendonk Beheersmaatschappij B.V.	1998/11/25	Biezenwei 14 P.O. Box 6147, NL-4000 HC Tiel, The Netherlands.	518,308	Solutions of welding, cutting and assembling by flexible robots.
Wiser Decision Holding Company Limited	2018/10/23	8F., No. 349, Sec. 2, Zhongshan Rd., Changhua City, Changhua County	96,880	General Investment
Honley Auto. Parts	2013/12/26	No. 32, Jingjian Road, Pingtung City	1,681,388	Manufacturing and Sale of Auto Parts,

Name	Date of Establishment	Address	Paid-in Capital	Main Business or Product Category
Co.,Ltd				Stamping Products 、 Hot-Presssing Products
CECK Holdings Co., Limited	2014/02/04	No. 88, Chenggong 2nd Road, Lingya District, Kaohsiung City	1,267,402	General Investment

- (3) Under Article 369-3 of the Company Act is presumed the existence of controlling and subordinate relation: None
- (4) Sectors covered by the Group's Business The man businesses for the affiliated companies of the Group include manufacturing and sale of auto parts regarding stamping, rolling, and hot-pressing, design and manufacturing of moulds as well as technology consulting services and manufacturing and development of automation equipment.

- (5) Name of Directors, Supervisors and General Manager in each Affiliated Company and their Shares hereof.

March 31, 2022

Company	Title	Name of Representative(s)	Shareholding	
			Shares	%
Engley Automobile Industry Co., Ltd	Chairman	Lin, Chi-Pin	—	—
Engley Automobile Industry Co., Ltd	Vice Chairman	Lin, Shang-Wei	—	—
Engley Automobile Industry Co., Ltd	Director	Lin, Shang-Chi, Cheng Zi Jian , Zhang Ning, Meng Yan, Wang Jun	—	—
Engley Automobile Industry Co., Ltd	Supervisor	Hou Quan Chang	—	—
Engley Automobile Industry Co., Ltd	Supervisor	Li Shi Guang, Wang Yi Ning	—	—
Engley Automobile Industry Co., Ltd	General Manager	Wu Tingbo	—	—
Engley Auoto Parts	Chairman	Lin, Chi-Pin	—	—
Engley Auoto Parts	Vice Chairman	Lin, Chen-Yin	—	—
Engley Auoto Parts	Director	Lin, Shang-Chi	—	—
Engley Auoto Parts	Supervisor	Lin, Shang-Wei	—	—
Suzhou Engley	Chairman	Lin, Shang-Wei	—	—
Suzhou Engley	Director	Lin, Chen-Yin, Chen, Jung-Juan	—	—
Suzhou Engley	Supervisor	Lin, Shang-Chi	—	—
Suzhou Engley	General Manager	Chen,Ming-Hui	—	—
Chengdu Engley	Chairman	Lin, Shang-Wei	—	—
Chengdu Engley	Director	Lin, Chen-Yin, Lin, Shang-Chi	—	—
Chengdu Engley	Supervisor	Cheng zi jian	—	—
Chengdu Engley	General Manager	Chen gan	—	—
Foshan Engley Auto Part Co., Ltd.	Executive Director	Lin, Chi-Pin	—	—
Foshan Engley Auto Part Co., Ltd.	Supervisor	Lin, Chen-Yin	—	—
Foshan Engley Auto Part Co., Ltd.	General Manager	Lv, Dong-Sheng	—	—
Tianjin Engley	Executive Director	Lin, Chi-Pin	—	—
Tianjin Engley	Supervisor	Lin, Shang-Chi	—	—
Lightweight	Executive Director	Lin, Shang-Wei	—	—
Lightweight	Supervisor	Sun Shu Yuan	—	—
Lightweight	General Manager	Ma Ji	—	—
Changsha Engley	Director&General Manager	Lin, Chen-Yin	—	—
Changsha Engley	Director	Lin, Shang-Wei, Lin, Shang-Chi	—	—
Changsha Engley	Supervisor	Cheng zi jian	—	—
Changsha Engley	Director&General Manager	Lin, Shang-Wei	—	—

Company	Title	Name of Representative(s)	Shareholding	
			Shares	%
Changsha Engley	Director	Lin, Chen-Yin, Lin, Shang-Chi	—	—
Changsha Engley	Supervisor	Yang, Cheng-Feng	—	—
Yizheng Engley	Director&General Manager	Lin, Shang-Wei	—	—
Yizheng Engley	Director	Lin, Chen-Yin, Lin, Shang-Chi	—	—
Yizheng Engley	Supervisor	Cheng Zi Jian	—	—
Tsingtao Engley	Executive Director	Lin, Shang-Wei	—	—
Tsingtao Engley	Supervisor	Lin, Shang-Chi	—	—
Tsingtao Engley	General Manager	Lu Shi Yong	—	—
Liaoning Engley	Chairman&General Manager	Lin, Shang-Wei	—	—
Liaoning Engley	Director	Lin, Chen-Yin, Lin, Shang-Chi	—	—
Liaoning Engley	Supervisor	Yang, Cheng-Feng	—	—
Taiwan Engley	Director	Cheng Deng Ran	—	—
Linde Changchun	Chairman	Lin, Chi-Pin	—	—
Linde Changchun	Vice Chairman	Ulrich Schoof	—	—
Linde Changchun	Director	Lin, Chen-Yin, Nishant Arya, Wang Hong	—	—
Linde Changchun	Supervisor	Lin, Shang-Chi	—	—
Linde Changchun	Supervisor	Michael Lindner	—	—
Linde Changchun	Director&General Manager	Wu Tingbo	—	—
Linde Tianjin	Chairman	Lin, Chi-Pin	—	—
Linde Tianjin	Vice Chairman	Ulrich Schoof	—	—
Linde Tianjin	Director	Lin, Chen-Yin, Nishant Arya, Wang Hong	—	—
Linde Tianjin	Supervisor	Lin, Shang-Chi	—	—
Linde Tianjin	Supervisor	Michael Lindner	—	—
Linde Tianjin	Director&General Manager	Wu Tingbo	—	—
Jilin Jinli Auto part Co., Ltd.	Executive Director&General Manager	Hsiao Chia Chen	—	—
Jilin Jinli Auto part Co., Ltd.	Supervisor	Lin, Shang-Chi	—	—
Chengdu Youli Auto part Co., Ltd.	Chairman	Hsiao Chia Chen	—	—
Chengdu Youli Auto part Co., Ltd.	Director	Yang Chi Ming, Pai Tsung Hsien	—	—
Chengdu Youli Auto part Co., Ltd.	Supervisor	Lin, Shang-Chi	—	—
Chengdu Youli Auto part Co., Ltd.	General Manager	Tseng Jui Tien		

Company	Title	Name of Representative(s)	Shareholding	
			Shares	%
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Chiarmman	Paul Warton	—	—
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Vice Chairman	Lin, Chi-Pin	—	—
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Director	Gao Min, Lin, Chen-Yin, Lionel Pierre Chapis	—	—
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Supervisor	Tsai, Chi-Chung	—	—
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	General Manager	Sun Li Meng	—	—
Honley Auto. Parts Co.,Ltd	Chiarmman	Yun Tasi Fu	—	—
Honley Auto. Parts Co.,Ltd	Director	Chen Guan-Fu, Liu Hong Yi , Zheng Jing Ren, Lin, Shang-Wei, Lin, Shang-Chi, Cheng Ming Hai,	—	—
Honley Auto. Parts Co.,Ltd	Supervisor	Wang Chun Chieh	—	—
Honley Auto. Parts Co.,Ltd	General Manager	Jin Yi-Wen	—	—
CECK Holdings Co., Limited	General Manager	Jin Yi-Wen	—	—
Changchun CECK Auto. Parts Co.,Ltd.	Chiarmman	Lin, Chi-Pin	—	—
Changchun CECK Auto. Parts Co.,Ltd.	Director	Zheng Jing Ren, Liu Hong Yi, Wang Hong	—	—
Changchun CECK Auto. Parts Co.,Ltd.	Supervisor	Yun Tasi Fu, Chen Kuan Fu	—	—
Changchun CECK Auto. Parts Co.,Ltd.	General Manager	Jin Yi-Wen	—	—
Chongqing HC&C Auto Parts Co., Ltd	Chairman	Lin, Shang-Wei	—	—
Chongqing HC&C Auto Parts Co., Ltd	Director&General Manager	Lin Yan-Jin	—	—
Chongqing HC&C Auto Parts Co., Ltd	Director	Lin, Shang-Chi, Zheng Jing Ren, Yun Tasi Fu, Jin Yi-Wen, Wang Jian, Shanf You, Lu Shao-Ping	—	—

Company	Title	Name of Representative(s)	Shareholding	
			Shares	%
Chongqing HC&C Auto Parts Co., Ltd	Supervisor	Wen Qian, Chen Kuan Fu	—	—
Engley Holding (Samoa) Limited	Chairman	Lin, Shang-Wei	—	—
Engley Holding (Samoa) Limited	Director	Lin, Chen-Yin, Lin, Shang-Chi	—	—
Kranendonk Beheersmaatschappij B.V.	Chairman	Lin, Shang-Wei	—	—
Ningbo Maoxiang	Chairman	Lin, Shang-Wei	—	—
Ningbo Maoxiang	Vice Chairman	Chang Chun Yao	—	—
Ningbo Maoxiang	Director	Lin, Shang-Chi, Wu Ming Huei	—	—
Ningbo Maoxiang	Director&General Manager	JAN GOHOUNGO JOERGENSEN		
Ningbo Maoxiang	Supervisor	Cheng Zi Jian	—	—
Taizhou Maoqi	Executive Director	Lin, Shang-Wei	—	—
Taizhou Maoqi	Director	Cheng Zi Jian	—	—
Taizhou Maoqi	General Manager	Yang Xue	—	—
Zhejiang Sanse	Chairman&General Manager	Li Jia Chun	—	—
Zhejiang Sanse	Director	Pan Qi Wei	—	—
Zhejiang Sanse	Director	Wang Wen Shuang	—	—
Zhejiang Sanse	Director	Long Wei Guo	—	—
Zhejiang Sanse	Director	Lin, Shang-Wei	—	—
Zhejiang Sanse	Director	Wang Yu Ping	—	—
Zhejiang Sanse	Director	Cai Ye	—	—
Zhejiang Sanse	Supervisor	Li Ming Hui	—	—
Ningbo Engley	Executive Director&General Manager	Lin, Shang-Wei	—	—
Ningbo Engley	Supervisor	Lin, Shang-Chi	—	—
Wiser Decision Holding Company Limited	Director	Lin, Shang-Chi	—	—
Chi Rui (Cayman) Holding Limited	Chairman	I Yuen InvestmenCo., Ltd. (Representative: Hsiao Chia Chen)	—	—
Chi Rui (Cayman) Holding Limited	Director	Tseng Yu Ching · Lin Ming Tan · Pai Yu Hua · Lin Hsing Hui	—	—
Chi Rui (Cayman) Holding Limited	Supervisor	Pai Tsung Hsien	—	—

(1) Financial Status and Operational Performance of Every Affiliated Companies (As of December 31, 2021)

Company	Capital (Note1)	Total Assets (Note1)	Total Liabilities (Note1)	Net Worth (Note1)	Operating Revenue (Note 2)	Operating Net Profit (Note 2)	Current profit and loss (After tax) (Note 2)	EPS (Note 2)
Engley Automobile Industry Co., Ltd	6,485,059	20,630,194	4,710,703	15,919,491	5,887,650	130,178	674,758	0.10
Engley Auoto Parts	593,086	3,116,596	569,933	2,546,663	2,036,515	1,952	92,117	Note 3
Suzhou Engley	433,479	2,935,795	1,918,211	1,017,584	2,405,671	27,463	20,801	Note 3
Chengdu Engley	145,043	2,463,441	731,314	1,732,127	1,464,625	108,513	100,463	Note 3
Yizheng Engley	217,000	369,323	94,932	274,391	275,961	29,344	22,141	Note 3
Liaoning Engley	273,420	146,275	297	145,978	549	-9,371	-9,107	Note 3
Foshan Engley	1,150,100	2,838,404	1,489,709	1,348,695	1,779,917	54,762	54,788	Note 3
Tianjin Engley	1,094,244	2,855,625	1,615,341	1,240,284	2,575,889	146,434	115,989	Note 3
Lightweight	236,877	602,285	94,792	507,493	633,535	123,281	104,435	Note 3
Changsha Engley	329,840	531,362	419,362	112,000	77,310	-47,066	-56,012	Note 3
Tsingtao Engley	741,098	1,826,251	1,498,040	328,211	1,389,107	-118,634	-140,490	Note 3
NingboEngley	260,400	512,630	269,160	243,470	463,741	21,423	19,966	Note 3
Linde Changchun	88,703	745,416	477,009	268,407	749,229	53,710	30,100	Note 3
Linde Tianjin	156,240	4,416,337	1,576,226	2,840,111	4,229,226	402,584	372,429	Note 3
Ningbo Maoxiang	568,935	1,494,114	461,770	1,032,344	145,689	-98,866	255,549	Note 3
Taizhou Maoqi	607,600	1,239,966	658,500	581,466	627,955	34,710	19,757	Note 3
Jilin Jinli Auto part Co., Ltd.	86,800	395,097	276,860	118,237	169,055	-37,690	-20,504	Note 3
Chengdu Youli Auto part Co., Ltd.	129,697	644,245	134,017	510,228	155,242	-29,961	-9,954	Note 3
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	160,741	1,561,479	865,834	695,645	1,347,616	271,711	201,413	Note 3
Zhejiang Sanse Mold Technology Co., Ltd	167,302	1,367,555	1,007,925	359,629	641,545	-40,637	-40,759	Note 3
Changchun CECK Auto. Parts Co.,Ltd.	753,270	1,826,091	1,931,025	104,934	1,115,461	-91,690	-109,699	Note 3
Chongqing HC&C Auto Parts Co., Ltd	1,180,823	1,473,818	328,810	1,145,008	364,052	-1,216	14,468	Note 3
Taiwan Engley	54,396	43,355	17,044	26,311	7,988	-19,850	-21,384	Note 3
Honley Auto. Parts Co.,Ltd	1,681,388	2,125,803	1,127,952	997,851	28,106	-64,510	-153,808	-0.91
CECK Holdings Co., Limited	1,267,402	1,029,650	476,672	552,978	0	0	-82,941	-0.65
Wiser Decision Holding Company Limited	96,880	115,426	0	115,426	0	(42)	10,719	1.09

Note 1: The number was calculated based on the exchange rates on December 31 2021 (US\$27.68 NT\$ 1,RMB 4.48:NT\$1).

Note 2: The number was calculated based on average yearly exchange rates in 2020 (US\$28.01:NT\$ 1,RMB 4.34:NT\$1).

Note 3 : These Companies are limited companies without issuance of shares.

2. Consolidated Financial Statements

The Foreign Company needn't prepare consolidated financial statements, which are set out in the Chapter Five of the IFRS. For the Company's consolidated financial statement, please refer to Consolidated Financial Statements Independent Auditors' Report °

3. Representation Letter for Consolidated Financial Statements: Not applicable for foreign companies.

4. Relation Report

N/A. The Company is not the subordinate company defined in the Chapter "Affiliated Enterprises" of Company Act.

B. Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

C. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

D. Other matters that require additional description

1. Major differences with Provisions on Protection of Shareholder Equity in Taiwan

As a result of slight differences between laws of the Cayman Islands and R.O.C, the “checklist of legal protection of shareholder equity in the country where foreign issuers are registered” (hereinafter referred to as the “checklist of legal protection of shareholder equity”) revised by the TWSE can not be fully applied to the Company. Below are the details informaino on the differences between laws of the Cayman Islands and the Company’s Article of Incorporation.

Difference	Law of the Cayman Islands	Article of Incorporation
A company which buys back its shares and assigns or transfers those shares to its employees may restrain such shares from being assigned or transferred to others within a specific period of time which shall in no case be longer than two years.	The Board of Directors may determine terms and conditions on treasury shares. The Companies Law of the Cayman Islands does not include any provision relating to employee rewards programs.	Article 1 provides that treasury shares refer to as shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and not cancelled, in accordance with these Articles, the Companies Law of the Cayman Islands and the Applicable Listing Rules. Article 40 D provides the disposal of treasure shares. However, the legal counsel in the Cayman Island clarifies that the restrictions agreed between the company and the employee is a contractual matter between themselves.
<p>5. The following matters shall be specified in the notice of a general meeting, and shall not be proposed as ad hoc motions:</p> <p>(1) election or discharge of Director or supervisors;</p> <p>(2) amendments to these Articles;</p> <p>(3) dissolution, merger, share swap or spinoff of the Company;</p> <p>(4) entering into, amendment to, or termination of any contract for lease of its business in whole, or for entrusting business, or for regular joint operation with others;</p> <p>(5) the transfer of the whole or any material part of its business or assets;</p> <p>(6) the takeover of another's whole business or assets, which will have a material</p>	<p>The Companies Law of the Cayman Islands does not have any provision about ad hoc motions. The legal counsel in the Cayman Island further explains that a notice of a regular shareholders’ meeting with proposals and relevant information should be given to shareholders to facilitate their understanding. In addition, the notice also includes the agenda item “any other proposal”. Other than unofficial or minor matters, the Chair cannot include important matters for this agenda item. In the event of new important matters, another meeting for discussion is required in accordance with applicable procedures. In an urgent circumstance where it is necessary to discuss important matters as ad hoc motions at shareholders’</p>	<p>The Companies Law of the Cayman Islands does not have any provision about ad hoc motions. Therefore, the item 5 is set out in the Article 50 of these Articles.</p> <p>The legal counsel in the Cayman Island further explains that a notice of a regular shareholders’ meeting with proposals and relevant information should be given to shareholders to facilitate their understanding. In addition, the notice also includes the agenda item “any other proposal”. Other than unofficial or minor matters, the Chair cannot include important matters for this agenda item. In the event of new important matters, another meeting for discussion is required in accordance with applicable procedures. In an urgent circumstance where it</p>

Difference	Law of the Cayman Islands	Article of Incorporation
<p>effect on the business operation of the Company;</p> <p>(7) the private placement of equity-linked securities;</p> <p>(8) granting waiver to the Director's engaging in any business within the scope of business of the Company;</p> <p>(9) distribution of part or all of its dividends or bonus by way of issuance of new Shares;</p> <p>(10) capitalization of the Legal Reserves and Capital Reserves arising from the share premium account or endowment income, in whole or in part, by issuing new Shares which shall be distributable as dividend shares to the then Shareholders in proportion to the number of Shares being held by each of them;</p>	<p>meeting, detailed information for such ad hoc motions need to be submitted to the next meeting for recognition. Despite no explicit prohibition of ad hoc motions under laws of the Cayman Islands, the legal counsel advises that ad hoc motions are not appropriate at shareholders' meeting.</p>	<p>is necessary to discuss important matters as ad hoc motions at shareholders' meeting, detailed information for such ad hoc motions need to be submitted to the next meeting for recognition.</p>
<p>3. A company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and the amendment(s) to the contents of the original proposal(s) at the said</p>	<p>The Companies Law of the Cayman Islands does not have any provision specifying the item 3.</p>	<p>The Companies Law of the Cayman Islands does not have any provision specifying the item 3. Therefore, the first paragraph of the item 3 is set out in Article 68 of the Articles. Furthermore, the legal counsel in the Cayman Islands is of the opinion that a shareholder who exercises his votes in writing shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right. Considering the legal counsel's opinions, Article 68 will include the second paragraph of Article 68 (a shareholder who exercises his votes in writing or by way of electronic transmission shall be deemed to have appointed the chairman of the general meeting as his or her proxy to</p>

Difference	Law of the Cayman Islands	Article of Incorporation
shareholders' meeting.		exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respective of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Listing Rules.)
5. In case a shareholder who has submitted his votes by written ballot or electronic transmission intends to attend the general meeting in person, he shall, at least two (2) days prior to the date of the meeting revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting. If a shareholder who has submitted his or her vote in writing or by way of electronic transmission does not submit such a revocation before the prescribed time, his or her vote by written ballot or electronic transmission and the proxy deemed to be given to the chairman of the general meeting.	The Companies Law of the Cayman Islands does not have any provision specifying the item 5.	The Companies Law of the Cayman Islands does not have any provision specifying the item 5. It is set out in Article 70 of the Articles. The legal counsel in the Cayman Islands is of the opinion that under common law, a person may revoke its proxy by attending the meeting in person. Because a shareholder who exercises his votes in writing or by way of electronic transmission shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, the item 5 may not be enforceable.
4. After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise	The Companies Law of the Cayman Islands does not have any provision specifying power of attorney or collection of its documents.	The Companies Law of the Cayman Islands does not have any provision specifying power of attorney or collection of its documents. The item 4 is set out in Article 62B of the Articles. The legal counsel in

Difference	Law of the Cayman Islands	Article of Incorporation
<p>his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>		<p>the Cayman Islands of the opinion that under common law, a person may revoke its proxy by attending the meeting in person, the item 4 may not be enforceable.</p>
<p>The following matters, which may involve shareholders important interests, shall resolved by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares:</p> <ol style="list-style-type: none"> 1. Enter into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others, or for transfer the whole or any essential part of its business or assets, for gaining of the transfer of another's whole business or assets, which has great bearing on the business operation of the company. 2. Amendments to these Articles; 3. When amendments to these Articles violate the rights of special shareholders, such amendments are required to be approved at the Special Shareholder Meeting. 4. Distribution of part or all of its dividends or bonus by way of issuance of new Shares; 5. Resolution concerning dissolution, merger, or spinoff. 	<p>The Companies Law of the Cayman Islands does have specific requirements or prohibitions for Subparagraph 1, 4 and 5.</p> <p>In terms of Subparagraph 2. and 3., Article 24 of the Companies Law of the Cayman Islands provides that any amendments to the Articles need to obtain a Special Resolutions reached by a shareholders' meeting.</p> <p>In terms of Subparagraph 5. (dissolution), Article 116 of the Companies Law of the Cayman Islands states that a company's voluntary dissolution should be approved by a Special Resolution. However, a company in general meeting resolves when it is unable to pay its debts. The legal counsel is of the opinion that the aforementioned resolutions of the shareholders' meeting can be ordinary resolution, special resolution, or otherwise a higher quorum specified in the Article of Incorporation.</p> <p>In terms of Subparagraph 5. (merger), the legal counsel is of opinion that a merger requires a Special Resolution under Article 233(6) of the Companies Law of the</p>	<ol style="list-style-type: none"> 1. The Companies Law of the Cayman Islands does have specific requirements or prohibitions for Subparagraph 1, 4 and 5. Subparagraph 1, 4 and 5 are set out in Article 32(a)(b)(c)(d)(g) of the Articles. Supermajority Resolution Type or Supermajority Resolution Type B is required special resolution reached at shareholders' meeting (see definitions above). 2. Article 24 of the Companies Law of the Cayman Islands provides that any amendments to the Articles need to obtain a Special Resolutions reached by shareholders' meeting. In this regard, Subparagraph 2 is set out in Article 157 of the Articles. In another word, a company can amend memorandums and/or Article of Incorporation by special resolutions from time to time. The quorum in a shareholders' meeting is subject to the Article 51 (the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to

Difference	Law of the Cayman Islands	Article of Incorporation
	Cayman Islands except otherwise stated in the Articles of Incorporation.	<p>vote shall be a quorum for all purposes).</p> <p>3. Article 24 of the Companies Law of the Cayman Islands provides that any amendments to the Articles need to obtain special resolutions reached by shareholders' meetings. Therefore, Subparagraph 3 is set out in Article 18 of the Articles. Once amendments to these Articles violate the rights of special shareholders, such amendments are required to obtain a special resolution reached by the general shareholders' meeting and another special resolution reached by the special shareholders meeting. The quorum in a shareholders' meeting is subject to the Article 51 (the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes).</p> <p>4. In terms of dissolution under Subparagraph 5, Article 116 of the Companies Law of the Cayman Islands states that a company's voluntary dissolution should be approved by a Special Resolution. However, a company in general meeting resolves when it is unable to pay its debts. The legal counsel is of the opinion that the aforementioned resolutions of the shareholders' meeting can be ordinary resolution, special resolution, or otherwise a higher quorum specified in the Article of</p>

Difference	Law of the Cayman Islands	Article of Incorporation
		<p>Incorporation. The Subparagraph 5 for dissolution is set out in Article 33 of the Article of Incorporation. If the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due, either a Supermajority Resolution Type A or a Supermajority Resolution (See definitions above) is required (Article 33(a)). If the Company resolves that it be wound up voluntarily because for other reasons, a Special Resolution is required (Article 33(b)).</p> <p>The quorum in a shareholders' meeting is subject to the Article 51 (the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes).</p> <p>In terms of dissolution under Subparagraph 5, the legal counsel is of opinion that a merger requires a Special Resolution under Article 233(6) of the Companies Law of the Cayman Islands except otherwise stated in the Articles of Incorporation. The Subparagraph 5 concerning mergers set out in Article 31 (c) of the Article of Incorporation. The quorum in a shareholders' meeting is subject to the Article 51 (the holders of Shares being more than an aggregate of one-half (1/2) of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for</p>

Difference	Law of the Cayman Islands	Article of Incorporation
		all purposes).
Supervisors	No specific provision concerning Supervisors under the Companies Law of the Cayman Islands	The Company has established the Audit Committee instead of Supervisors so it is not necessary to amend the Article of Incorporation.
<p>1. Any shareholder(s) who has continuously holding 3% or more of the total number of the outstanding shares of the company over a consecutive year may request in writing the Supervisors to institute, for the company, an action against Directors of the company. The Taiwan Taipei District Court can be the initial trial court.</p> <p>2. In case the Supervisors fails to institute an action within 30 days after having received the shareholder's request, the shareholders may institute the action for the company. The Taiwan Taipei District Court can be the initial trial court.</p>	<p>The Article of Incorporation of the Cayman Company does not have specific provision or prohibitive provision for this matter. The applicable law of the Cayman Islands provides that any shareholder(s) can file a lawsuit on behalf of the company under the following circumstances: (A) where the alleged wrong is ultra vires (i.e. beyond the capacity of) the company or illegal, which cannot be recognized by shareholders, or (B) where what has been done amounts to a "fraud on the minority". Given that such litigations against major shareholders, they will not cause the company to bring an action. In other words, in the case of (B), the wrongdoers are themselves in control of the company and the existence of fraud need to be proved)</p> <p>In general, any conduct within the company's capacity, or which can be recognized by shareholders with majority consent even though it is beyond the capacity of the company, courts in the Cayman Islands tend to be more lenient towards internal conduct in the company.</p>	<p>The Article of Incorporation of the Cayman Company does not have specific provision or prohibitive provision for this matter. Furthermore, the Company has established the Audit Committee instead of Supervisors. The explanation of Taizhengshangtzu No. 1011702189 issued by the TSWE on July 27 2012 stated that Supervisors shall be replaced by Independent Directors of the Audit Committee. Therefore, Supervisors specified in the item 1 and 2 are replaced by Independent Directors of the Audit Committee, which are set out in Article 123 of the Articles. The competent court having proper jurisdiction includes Taipei District Court. Furthermore, the legal counsel in the Cayman Islands, Article 123 of the Articles needs to meet legal requirements of laws of the Cayman Islands. In a word, if such Directors consider a legal action may not benefit the company, they are not obligated to file a litigation against other Directors although a request is made by any shareholder(s) 3% or more of the total number of the outstanding shares of the company.</p>
1. The Directors of a company shall have the loyalty and shall exercise the due care of a good administrator in conducting the business operation of the company;	According to the Companies Law of the Cayman Islands, any Director shall owe fiduciary duties to his/her company. If any Director violates the aforesaid fiduciary	After considering opinions of legal counsel in the Cayman Islands (see the left column), the item 1, 2 and 3 are set forth in Article 97B of the Articles. However, the legal counsel

Difference	Law of the Cayman Islands	Article of Incorporation
<p>and if any of them acting contrary to this provision, shall be liable for the damages to be sustained by the company therefrom. The Shareholders' Meeting may, by its resolution, consider the earnings in such an act as earnings of the company.</p> <p>2. If any Director of a company has, in the course of conducting the business operations, violated any provision of the applicable laws and regulations, and thus caused damage to any other person, he/she shall be liable, jointly and severally with the company.</p> <p>3. Managers and Supervisors of a company have the same liability as Directors within performing their duties.</p>	<p>duties for himself or others and receives gainings, a court can order him/her to return his/her gainings.</p> <p>According to applicable laws of the Cayman Islands, if any Director of a company has, in the course of conducting the business operations, caused damage to any third party, the third party is entitled to file a claim against the company for compensation. The company is also entitled to request such a Director to compensate any loss as a result of the third party's claim. From the legal perspective of the Cayman Islands, the third party can not directly file a claim against Directors even though they have a joint and several liability specified in the Article of Incorporation.</p>	<p>noted that from the legal perspective of the Cayman Islands, the third party can not directly file a claim against Directors even though they have a joint and several liability specified in the Article of Incorporation.</p>

IX Any matters listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred in the most recent fiscal year and as of the date of publication of the annual report, such situations

None.

Appendix : Consolidated Financial Statements in the most recent year

Cayman Engley Industrial Co., Ltd. and its Subsidiaries

Consolidated Financial Statements Independent Auditors' Report

2021 and 2020

(Stock Code 2239)

Address : The Grand Pavilion Commercial Centre,
Oleander Way, 802 West Bay Road, P.O. Box
32052, Grand Cayman KY1-1208, Cayman
Islands

****These Independent Auditors' Report and financial statements are translated from the traditional Chinese version and are unaudited by a CPA.**

Independent Auditors' Report

(2022)PWCR21004371

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, 2021 and 2020, 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, 2021 and 2020, 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, 2021. 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 2021 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 (28) 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, 2021 are NT \$5,432,095 and NT \$382,113 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, 2021, 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 29th, 2022

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st 2021 and December 31st, 2020

Unit : NTD(thousands)

		Unit : MYD(thousands)		December 31 st 2021		December 31 st 2020	
Assets		NOTES	Amount	%	Amount	%	
Current Assets							
1100	Cash and cash equivalent	6(1)	\$ 3,387,938	11	\$ 4,578,467	14	
1110	Financial assets at fair value through profit or loss	6(2)	9,609	-	-		
1136	Financial assets measured at amortised cost - current	8	3,874	-	8,189	-	
1150	Notes receivable, net	6(3)& 8	1,501,570	5	2,614,707	8	
1170	Accounts receivable, net	6(3)	3,932,715	12	3,190,063	10	
1180	Accounts receivable - related parties, net		3,241	-	2,249	-	
1200	Other receivables	7(3)	137,785	-	116,202	-	
1220	Current tax assets		27,767	-	-	-	
130X	Inventory	6(4)	5,049,982	16	4,071,830	13	
1410	Prepayments	6(5)&7(3)	955,950	3	877,294	3	
1470	Other current assets	6(6)&8	1,683,725	5	1,054,615	3	
11XX	Total current assets		16,694,156	52	16,513,616	51	
Non current assets							
1517	Financial assets at fair value through other comprehensive profit or loss – non-current	6(7)	86,539	-	99,094	-	
1550	Investment accounted for using equity method	6(8)	1,160,527	4	1,240,282	4	
1600	Property, plant and equipment	6(9)&8	10,162,620	32	9,970,842	31	
1755	Right-of-use assets	6(10)	1,255,614	4	1,382,073	4	
1780	Intangible assets	6(11)	1,111,837	3	1,338,264	4	
1840	Deferred income tax assets	6(31)	261,805	1	325,602	1	
1900	Other non-current assets	6(12)&8	1,421,213	4	1,542,342	5	
15XX	Total non-current assets		15,460,155	48	15,898,499	49	
1XXX	Total assets		\$ 32,154,311	100	\$ 32,412,115	100	

(continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries

Consolidated Balance Sheets

December 31st2021 and December 31st, 2020

Unit : NTD(thousands)

Liabilities and equities		NOTES	December 31 st 2021		December 31 st 2020	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(14)	\$ 2,491,642	8	\$ 2,770,210	9
2130	Contract liabilities-current	6(24)	275,218	1	298,911	1
2150	Notes payable		3,086,935	10	2,064,144	7
2160	Notes payable –related parties	7(3)	211,914	1	88,921	-
2170	Accounts payable		4,312,221	13	4,859,350	15
2180	Accounts payable – related parties	7(3)	278,076	1	561,856	2
2200	Other payables	6(15)	1,047,008	3	1,476,704	5
2220	Other payables - related parties	7(3)	1,298	-	2,738	-
2230	Income tax payable		86,509	-	35,967	-
2280	Lease liabilities – current	7(3)	99,343	-	111,214	-
2320	Long-term liabilities, current portion	6(16)(17)	717,074	2	1,408,251	4
2399	Other current liabilities-other		42,961	-	62,136	-
21XX	Total current liabilities		<u>12,650,199</u>	<u>39</u>	<u>13,740,402</u>	<u>43</u>
Non current liabilities						
2530	Bonds payables	6(16)	482,021	2	-	-
2540	Long-term borrowings	6(17)	3,042,609	9	4,217,915	13
2570	Deferred income liabilities	6(31)	409,185	1	456,104	1
2580	Lease liabilities – non-current	7(3)	278,181	1	348,556	1
2600	Other non-current liabilities	6(18)	200,669	1	203,606	1
25XX	Total non-current liabilities		<u>4,412,665</u>	<u>14</u>	<u>5,226,181</u>	<u>16</u>
2XXX	Total liabilities		<u>17,062,864</u>	<u>53</u>	<u>18,966,583</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY						
3110	Common stock	6(20)	1,180,070	4	1,180,070	4
	Capital surplus	6(21)				
3200	Capital surplus		8,257,351	25	8,371,087	25
	Retained earnings	6(22)				
3310	Legal reserve		510,940	2	481,639	1
3320	Special reserve		1,422,115	4	1,647,510	5
3350	Unappropriated retained earnings		1,148,833	4	817,610	3
	Other interests					
3400	Other interests		(1,616,623)	(5)	(1,422,115)	(4)
31XX	Total equity attributable to shareholders of the		<u>10,902,686</u>	<u>34</u>	<u>11,075,801</u>	<u>34</u>
36XX	Non-controlling interests	6(23)	<u>4,188,761</u>	<u>13</u>	<u>2,369,731</u>	<u>7</u>
3XXX	Total equity		<u>15,091,447</u>	<u>47</u>	<u>13,445,532</u>	<u>41</u>
	contingent liabilities and unrecognized contractual commitments	9				
3X2X	Total liabilities and interests		\$ 32,154,311	100	\$ 32,412,115	100

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

Chairman : Lin, Chi-Pin

General manager : Lin, Chi-Pin

Accounts supervisor : Huang, Sheng-Wen

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

January 1st to December 31st, 2021 and January 1st to December 31st, 2020 Unit : NTD(thousand)

(Except earnings per share, which is in NTD)

Items	NOTES	2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(24)	\$ 20,277,213	100	\$ 21,644,152	100
5000 Operating cost	6(4)&7(3)	(17,278,161)	(85)	(18,187,450)	(84)
5900 Operating margin		<u>2,999,052</u>	<u>15</u>	<u>3,456,702</u>	<u>16</u>
Operating expenses	6(29)(30)&7(3)				
6100 Marketing expenses		(449,373)	(2)	(472,782)	(2)
6200 Administrative expenses		(1,018,086)	(5)	(914,443)	(4)
6300 Research and development expenses		(868,489)	(5)	(745,575)	(4)
6450 Expected credit impairment loss	12(2)	(12,949)	-	(54,894)	-
6000 Total operating expenses		<u>(2,322,999)</u>	<u>(12)</u>	<u>(2,187,694)</u>	<u>(10)</u>
6900 Operating income		<u>676,053</u>	<u>3</u>	<u>1,269,008</u>	<u>6</u>
Non-operating income and expenses					
7100 Interest incomes	6(26)	32,007	-	12,448	-
7010 Other incomes	6(27)	115,402	1	163,743	1
7020 Other profit and loss	6(25)	519,128	3	(120,179)	(1)
7050 Finance cost	6(28)&7(3)	(189,440)	(1)	(270,448)	(1)
7060 Share of profit and loss of associates and joint ventures recognized using equity method	6(8)	<u>9,398</u>	<u>-</u>	<u>(55,845)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>486,495</u>	<u>3</u>	<u>(270,281)</u>	<u>(1)</u>
7900 Income before tax		1,162,548	6	998,727	5
7950 Income expenses	6(31)	(182,099)	(1)	(173,261)	(1)
8200 Net profit of the year		<u>\$ 980,449</u>	<u>5</u>	<u>\$ 825,466</u>	<u>4</u>

(Continued)

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

January 1st to December 31st, 2021 and January 1st to December 31st, 2020 Unit : NTD (thousand)

(Except earnings per share, which is in NTD)

	Items	Notes	2021		2020	
			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)	(\$ 9,698)	-	(\$ 3,959)	-
8310	Total items not reclassified to profit or loss		(9,698)	-	(3,959)	-
	Subsequent items that may be reclassified to profit or loss					
8361	Exchange differences on translation for financial statements of foreign organizations in operation		(200,153)	(1)	265,918	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)	(1,791)	-	3,879	-
8360	Total Subsequent items that may be reclassified to profit or loss		(201,944)	(1)	269,797	1)
8300	Other comprehensive profit or loss (net)		(\$ 211,642)	(1)	\$ 265,838	1)
8500	Total comprehensive profit or loss for the year		<u>\$ 768,807</u>	<u>4</u>	<u>\$ 1,091,304</u>	<u>5</u>
	Net profit (loss) attributable to:					
8610	Shareholders of the parent company		\$ 665,268	3	\$ 480,621	2
8620	Non-controlling interests		315,181	2	344,845	2
	Net profit of the year		<u>\$ 980,449</u>	<u>5</u>	<u>\$ 825,466</u>	<u>4</u>
	Comprehensive income/loss (net) attributable to:					
8710	Shareholders of the parent company		\$ 470,760	3	\$ 706,016	3
8720	Non controlling interests		298,047	1	385,288	2
	Total comprehensive income		<u>\$ 768,807</u>	<u>4</u>	<u>\$ 1,091,304</u>	<u>5</u>
	Earnings per share	6(32)				
9750	Total basic earnings per share		<u>\$</u>	<u>5.64</u>	<u>\$</u>	<u>4.07</u>
9850	Total diluted earnings per share		<u>\$</u>	<u>5.54</u>	<u>\$</u>	<u>4.03</u>

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

Chairman : Lin, Chi-Pin

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, 2021 and Jan. 1st to Dec. 31st, 2020 Unit: NTD (thousand)

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT											
Notes	Surplus			Retained earnings			Other interests		Total	Non-controlling interests	Total equity
	Capital stock – Common equity	Capital stock – Amount	Capital stock	Legal reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Financial assets measured at fair value through other comprehensive income			
<u>Jan. 1st to Dec. 31st, 2020</u>											
Balance on Jan. 1 st 2020	\$ 1,180,070	\$ 8,159,881	\$ 211,206	\$ 442,409	\$ 1,179,819	\$ 1,326,536	(\$ 1,650,660)	\$ 3,150	\$ 10,852,411	\$ 2,231,623	\$ 13,084,034
Total consolidated profit and loss of the year	6(23) -	-	-	-	-	480,621	-	-	480,621	344,845	825,466
Other comprehensive profit and loss of the year	6(23) -	-	-	-	-	-	229,354	(3,959)	225,395	40,443	265,838
Total comprehensive profit and loss of the year	-	-	-	-	-	480,621	229,354	(3,959)	706,016	385,288	1,091,304
Appropriation and distribution of retained earnings in 2019	6(22)										
Legal surplus reserve	-	-	-	39,230	-	(39,230)	-	-	-	-	-
Special surplus reserve	-	-	-	-	467,691	(467,691)	-	-	-	-	-
Cash dividend	-	-	-	-	-	(295,018)	-	-	(295,018)	-	(295,018)
Agreement to purchase additional equity of subsidiaries.	6(23)(30) -	-	-	-	-	(187,608)	-	-	(187,608)	(78,552)	(266,160)
Cash dividend of subsidiary shareholders	-	-	-	-	-	-	-	-	-	(168,628)	(168,628)
Balance on Dec.31 st 2020	<u>\$ 1,180,070</u>	<u>\$ 8,159,881</u>	<u>\$ 211,206</u>	<u>\$ 481,639</u>	<u>\$ 1,647,510</u>	<u>\$ 817,610</u>	<u>(\$ 1,421,306)</u>	<u>(\$ 809)</u>	<u>\$ 11,075,801</u>	<u>\$ 2,369,731</u>	<u>\$ 13,445,532</u>
<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 consolidated profit and loss of the year.	6(23) -	-	-	-	-	-	(186,434)	(8,074)	(194,508)	(17,134)	(211,642)
Total consolidated 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	<u>\$ 1,180,070</u>	<u>\$ 8,159,881</u>	<u>\$ 97,470</u>	<u>\$ 510,940</u>	<u>\$ 1,422,115</u>	<u>\$ 1,148,833</u>	<u>(\$ 1,607,740)</u>	<u>(\$ 8,883)</u>	<u>\$ 10,902,686</u>	<u>\$ 4,188,761</u>	<u>\$ 15,091,447</u>

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

Chairman: Lin, Chi-Pin

Accounts supervisor: Huang Sheng-Wen

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement of Cash Flow
Jan. 1st to Dec. 31st 2021 and Jan. 1st to Dec. 31st 2020

Unit : NTD(thousand)

	Notes	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Income before tax of the year		\$ 1,162,548	\$ 998,727
Items for adjustment			
Income and expense items			
Depreciation expense-Property, plant and equipment	6(9)(29)	1,359,844	1,127,521
Depreciation expense-Right of use of assets	6(10)(29)	148,000	148,048
Amortization	6(11)(29)	122,256	117,261
Recognized share of profit(loss) of subsidiaries or associates using equity method	6(8)	(9,398)	55,845
Gain or Loss of disposal of property, plant, equipment and right of use of assets	6(25)	(270,761)	10,328
Loss of evaluated of financial assets measured by fair value through profit or loss	6(2)	1,399	-
Intangible asset impairment loss	6(11)(25)	93,539	50,643
Lease Modification Gain	6(10)	(290)	-
Expected credit impairment Gain or loss	12(2)	(12,949)	54,894
Interest income	6(26)	(32,007)	(12,448)
Interest cost-financing	6(28)	210,256	289,597
Interest expense – lease liability	6(10)(28)	17,768	18,520
Interest expense – joint loan amortization	6(28)	8,126	4,112
Recognized income of deferred government grants	6(18)	(4,693)	(18,366)
Gain or Loss from unrealized foreign currency exchange		(205,719)	80,967
Asset/liability changes related to operating activities			
Net changes of assets related to operating activities			
Financial assets mandatorily measured at fair value through profit or loss		(937)	-
Notes receivable		1,119,769	(1,209,642)
Accounts receivable, net		(734,506)	390,452
Accounts receivable, related parties		(992)	30
Other receivables		(14,038)	961
Other receivables-related parties		1,885	3,389
Inventory		(967,739)	584,855
Prepayments		(78,656)	(76,606)
Other current assets		20,820	(82,553)
Other non-current assets		15,650	(70,060)
Net changes in liabilities related to operating activities			
Contract liabilities		(23,693)	33,563
Notes payable		1,022,791	663,259
Notes payable-related parties		122,993	(12,658)
Accounts payable		(547,129)	1,222,721
Accounts payable-related parties		(283,780)	180,547
Other payables		(320,337)	232,315
Other payables- related parties		(1,440)	(4,551)
Other current liabilities		(19,175)	58,045
Other non-current liabilities		3,610	3,126
Cash inflow generated from operations		1,903,015	4,842,842
Interests received		32,007	12,448
Interests paid		(235,415)	(264,696)
Income taxes paid		(137,914)	(210,687)
Net cash flow from operating activities		1,561,693	4,379,907

(Continued)

Cayman Engley Industrial CO., LTD. and its Subsidiaries
Consolidated Statement Of Cash Flow
Jan.1st to Dec. 31st 2021 and Jan. 1st to Dec.31st,2020

Unit : NTD(thousand)

	Notes	2021	2020
<u>Cash flow from investment activities</u>			
Financial assets measured by amortized cost		\$ 4,315	(\$ 8,189)
Acquisition of investments accounted for using equity method	6(8)	-	(132,219)
Acquisition of property, plant and equipment	6(34)	(1,894,396)	(1,418,893)
Disposal of real estate, plant, equipment and right of use of assets prices		498,626	31,816
Acquisition of intangible assets	6(11)	(72,015)	(73,270)
Refundable deposits increase or decrease		(517,020)	50,122
Dividends received from investments accounted for using equity method	6(34)	65,100	25,501
Acquisition of right of use of assets		(113,223)	-
Interest capitalized actual payment	6(28)	(46,710)	(41,781)
Net cash outflow from investment activities		(2,075,323)	(1,566,913)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	6(35)	(95,438)	(303,696)
Decrease in other borrowing	6(35)	(43,735)	-
Lease principal repayment	6(35)	(117,016)	(111,239)
Borrow long-term loans		2,162,156	2,707,402
Repayment of long-term loans		(3,426,827)	(2,626,688)
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)	(476,400)
Cash dividends on non-controlling interests	6(23)	-	(168,628)
Distributed cash dividends	6(22)(35)	(218,313)	(295,018)
Subsidiary issues new shares	4(3)	1,081,542	-
Acquisition of the non-controlling price equity of subsidiaries	6(33)	-	(266,160)
Net cash inflow (outflow) from financing activities		(564,688)	(1,540,427)
Exchange rate change		(112,211)	130,407
Net increase (decrease) in cash and cash equivalents		(1,190,529)	1,402,974
Cash and cash equivalents, beginning of year	6(1)	4,578,467	3,175,493
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.

Chairman : Lin, Chi-Pin

General manager : Lin, Chi-Pin

Accounts supervisor : Huang Sheng-Wen

Cayman Engley Industrial CO., LTD
Consolidated Financial Statements Notes
Dec.31st 2021 and Dec. 31st 2020

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 29th, 2021.

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 2021 are as follows:

Newly issued / revised / amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1 st , 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1 st , 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021	April 1 st , 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

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 2022 :

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.	

(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
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 , 2023
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
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 , 2021	December 31 st , 2020	
The Company	Changchun Engley Automobile Industry Co., Ltd.	Production and sales of various auto parts	86.91	96.57	Note 7
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	-	
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 4
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 8
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	98.6	Note 2&6
Changchun Engley Automobile Industry Co., Ltd.	Tsingtao Engley Auto Part Co., Ltd.	Production and sales of various auto parts	100	100	
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., Ltd.	Production and sales of various auto parts	54	54	-
Changchun Engley Automobile Industry Co., Ltd.	Tianjin Engley Manufacturing Co., Ltd.	Production and sales of various auto parts	99.6	99.6	Note 3, Note 10
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	-
Ningbo Maoxiang Material Co., Ltd. (China)	TaizhouMaoqi 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	1.4	Note 2&6
Suzhou Engley Auto Part Co., Ltd.	Tianjin Engley Manufacturing Co., Ltd.	Production and sales of various auto parts	0.4	0.4	Note 3, Note 10

Investment company Name	Subsidiary Name	Business nature	Percentage of equity held		Note
			December 31 st , 2021	December 31 st , 2020	
Engley Holding (Samoa) Limited	Engley Precision Industry B.V.	General investment	60.5	60.5	
Engley Precision Industry B.V.	KranendonkBeheersmaatschappij B.V.	R & D and manufacturing of soft robot software	100	100	Note 9

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 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 5: 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 6: 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 7: 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 8: 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.

Note 9: The Group acquired 25% equity interest in KranendonkBeheersmaatschappij B.V. from a non-controlling interest in June 2020, from which date the Group holds 100% equity interest in KranendonkBeheersmaatschappij B.V.

Note 10: In April 2020, Changchun Engley Industrial Co., Ltd. increased 0.1% of its equity interest in Tianjin EngleyMould Manufacturing Co. After the increase, the shareholding of Changchun Yingli Industrial Company Limited in Tianjin YingliMould Manufacturing Company Limited is 99.6% and the shareholding of Suzhou Engley Auto Parts Co., Ltd. in Tianjin EngleyMould Manufacturing Co. is 0.4%.

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, 2021 and 2020 are respectively 4,188,761 NTD (thousand) and 2,369,731 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 .2021		December 31 st , 2020	
		Amount	Shareholding	Amount	Shareholding
Changchun Engley Automobile Industry Co., Ltd.	China	\$ 2,083,861	13.09%	\$ 490,930	3.43%
Linde+Engley (Tianjin) Auto Parts Co., Ltd.	China	1,436,257	46%	1,053,519	46%
Ningbo Maoxiang Material Co., Ltd. (China)	China	520,412	49%	458,826	49%

Aggregate financial information of subsidiaries:

Balance sheet

<u>Changchun Engley Automobile Industry Co., Ltd.</u>			
	<u>December 31st, 2021</u>		<u>December 31st, 2020</u>
Current assets	\$ 5,250,368	\$	5,700,673
Non-current assets	15,379,826		14,632,545
Current liabilities	(3,904,584)	(	4,000,707)
Non-current liabilities	(806,119)	(	2,019,670)
Total net assets	<u>\$ 15,919,491</u>	<u>\$</u>	<u>14,312,841</u>

<u>Linde+Engley (Tianjin) Auto Parts Co., Ltd.</u>			
	<u>December 31st, 2021</u>		<u>December 31st, 2020</u>
Current assets	\$ 2,414,549	\$	2,898,328
Non-current assets	2,333,773		1,519,943
Current liabilities	(1,055,426)	(	1,572,037)
Non-current liabilities	(570,598)	(	555,976)
Total net assets	<u>\$ 3,122,298</u>	<u>\$</u>	<u>2,290,258</u>

<u>Ningbo Maoxiang Material Co., Ltd.</u>			
	<u>December 31st, 2021</u>		<u>December 31st, 2020</u>
Current assets	\$ 1,363,450	\$	1,064,446
Non-current assets	862,631		1,194,684
Current liabilities	(801,236)	(	981,465)
Non-current liabilities	(362,779)	(	341,286)
Total net assets	<u>\$ 1,062,066</u>	<u>\$</u>	<u>936,379</u>

Comprehensive statement

Changchun Engley Automobile Industry Co., Ltd.

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Income	\$ 5,887,650	\$ 6,040,561
Income before tax	671,269	769,075
Income expense	3,489	2,652
Net profit of continuing operations of the year	674,758	771,727
Loss of closed operations	-	-
Net profit for the year	674,758	771,727
Other comprehensive income (net after tax)	-	-
Current comprehensive profit or loss	\$ 674,758	\$ 771,727
Total comprehensive profit and loss attributed to non-control rights and interests	\$ 39,440	\$ 26,470
Payment to non-controlling equity dividends	\$ -	\$ -

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

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Income	\$ 4,229,226	\$ 4,977,954
Income before tax	417,731	812,245
Income expense	(66,552)	(113,890)
Net profit of continuing operations of the year	351,179	698,355
Loss of closed operations	-	-
Net profit for the year	351,179	698,355
Other comprehensive income (net after tax)	-	-
Current comprehensive profit or loss	\$ 351,179	\$ 698,355
Total comprehensive profit and loss attributed to non-control rights and interests	\$ 161,542	\$ 321,243
Payment to non-controlling equity dividends	\$ -	\$ 169,411

<u>Ningbo Maoxiang Material Co., Ltd.</u>		
	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Income	\$ 757,248	\$ 901,924
Income (Loss) before tax	199,452	5,243
Income benefits(Expense)	(38,412)	(356)
Income (Loss) of continuing operations of the year	161,040	4,887
Loss of closed operations	-	-
Income (Loss)	161,040	4,887
Other comprehensive income (net after tax)	-	-
Current comprehensive profit or loss	\$ 161,040	\$ 4,887
Total comprehensive profit and loss attributed to non-control rights and interests	\$ 78,910	\$ 2,395
	\$ -	\$ -

Cash flow statement

<u>Changchun Engley Automobile Industry Co., Ltd.</u>		
	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Net cash inflow (outflow) from operating activities	(\$ 473,109)	\$ 1,044,330
Net cash inflow (outflow) from investment activities	(441,332)	(176,683)
Net cash inflow (outflow) from financing activities	251,649	(391,073)
Impact of exchange rate on current cash and cash equivalents	(12,127)	24,565
(Decrease) increase in cash and cash equivalents	(674,919)	501,139
Cash and cash equivalents on January 1 st	1,328,041	826,902
Cash and cash equivalents on December 31 st	\$ 653,122	\$ 1,328,041

<u>Linde+Engley (Tianjin) Auto Parts Co., Ltd.</u>		
	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Net cash inflow (outflow) from operating activities	\$ 400,518	\$ 1,130,898
Net cash inflow (outflow) from investment activities	(551,065)	(890,725)
Net cash inflow (outflow) from financing activities	(71,202)	179,366
Impact of exchange rate on current cash and cash equivalents	(6,864)	14,955

(Decrease) increase in cash and cash equivalents	(228,613)	434,494
Cash and cash equivalents on January 1 st	751,701	317,207
Cash and cash equivalents on December 31 st	\$ 523,088	\$ 751,701

Ningbo Maoxiang Material Co., Ltd.

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Net cash outflows (inflows) from operating activities	\$ 103,163	\$ 279,448
Net cash inflows (outflows) from investment activities	465,092	(19,473)
Net cash inflows (outflows) from financing activities	(214,268)	(234,114)
Impact of exchange rate on current cash and cash equivalents	(1,086)	2,081
Increase in cash and cash equivalents	352,901	27,942
Cash and cash equivalents on January 1 st	118,884	90,942
Cash and cash equivalents on December 31 st	\$ 471,785	\$ 118,884

(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.

(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 asso °

(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.

(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 deducing 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) Employee share-based payment

Equity-settled share-based payment arrangements are employee services received measured at fair value of the equity instruments granted at grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. Fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on service conditions that are expected to be satisfied and estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(25) 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.

(26) Share capital

1. 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
2. Where the Company repurchases issued shares, the consideration paid, including any directly attributable incremental costs (net after tax) is recognized in deductions from equity attributable to the Company's equity holders. When the repurchased stock is reissued, differences between the received consideration after deducting any 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.

(27) 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.

(28) 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.

(29) 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.

(30) 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.

(31) 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 2021, the group recognized the loss as 494,115 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, 2020, book value of the Company's deposit was 5,049,982 NTD (thousand).

6. Contents of significant accounting items

(1) Cash and cash equivalents

	Dec. 31 st , 2021	Dec. 31 st , 2020
Cash on hands	\$ 844	\$ 1,085
Demand deposit	3,387,094	4,577,382
	<u>\$ 3,387,938</u>	<u>\$ 4,578,467</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 reports regular deposits with original due dates greater than three months and demand deposits that do not meet short-term cash commitments as "financial assets carried at amortized cost".

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

Current items:	Dec. 31 st , 2021	Dec. 31 st , 2020
Financial assets mandatorily measured at fair value through profit or loss		
List stocks	\$ 10,071	\$ -
Converting corporate bond redemption rights	937	-
Valuation adjustment	(1,399)	-
	<u>\$ 9,609</u>	<u>\$ -</u>

1. The Financial assets mandatorily measured at fair value through profit or loss held by the Group from January 1 to December 31, 2021 and from January 1 to December 31, 2020 were recognized as interests of 40,776 thousand (including disposal profit of 42,175 thousand and evaluation losses of 1,399 thousand) and interests of 34,021 thousand, 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 , 2021	Dec. 31 st , 2020
Notes receivable	\$ 1,507,651	\$ 2,621,339
Deduct : Discount notes receivable	(6,081)	-
	1,501,570	2,621,339
Less : Allowance loss	-	(6,632)
	<u>\$ 1,501,570</u>	<u>\$ 2,614,707</u>
Accounts receivable	\$ 4,052,308	\$ 3,327,873
Less : Allowance loss	(119,593)	(137,810)
	<u>\$ 3,932,715</u>	<u>\$ 3,190,063</u>

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

	Dec. 31 st , 2021		Dec. 31 st , 2020	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Notes receivable				
Not overdue	\$ 3,732,566	\$ 1,501,570	\$ 3,074,661	\$ 2,621,339
In 90 days	191,567	-	109,245	-
In 91-180 days	35,243	-	9,650	-
Over 181 days	92,932	-	134,317	-
	<u>\$ 4,052,308</u>	<u>\$ 1,501,570</u>	<u>\$ 3,327,873</u>	<u>\$ 2,621,339</u>

The above age analysis is based on overdue days.

2. The balance of accounts and notes receivable on December 31st, 2021, December 31st, 2020 and January 1st, 2020 are generated by customer contracts and the balance of receivables from January 1st, 2020 is 5,043,380 NTD (thousand).

3. Amount of facilities of the largest credit risk of the Group's bills and accounts receivable on December 31st, 2021 and December 31st, 2020, regardless of collateral or other credit enhancements held, is the carrying amount of each type of notes and accounts receivable.

4. On December 31st, 2021 and December 31st, 2020, for the issuance of bank acceptance bills, some of the Company's subsidiaries provided notes receivable to the bank for pledge, amounting to 1,273,120 and 774,760 NTD (thousand) respectively.

5. 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 extremely high, 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, 2021	Dec.31st, 2020
Amount deducted	\$ 6,081	\$ -

6. On December 31st, 2021 and December 31st, 2020, 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.

7. For details of pledge of the notes receivable, please refer to the attached Appendix 8 of the consolidated financial report.

8. For related credit risk information, please refer to Note 12 (2).

(4) Inventories

	End of 2021		
	Cost	Allowance for Obsolescence and valuation loss	Book value
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>

	End of 2020		
	Cost	Allowance for Obsolescence and valuation loss	Book value
Finished goods	\$ 898,391	(\$ 66,048)	\$ 832,343
Raw material	700,272	(38,307)	661,965
Work in process	2,790,081	(212,559)	2,577,522
Total	<u>\$ 4,388,744</u>	<u>(\$ 316,914)</u>	<u>\$ 4,071,830</u>

Inventory-related expense losses recognized in the current period :

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Cost of inventories sold	\$ 17,913,200	\$ 18,573,809
Amount of obsolescence stock and valuation loss	68,093	1,879
Revenue from sales of waste and scrap	(703,132)	(481,208)
Unamortized fixed factory overhead	-	92,970
	<u>\$ 17,278,161</u>	<u>\$ 18,187,450</u>

(5) Prepayments

	<u>End of 2021</u>	<u>End of 2020</u>
Prepayments	\$ 452,581	\$ 506,858
Input tax	257,896	167,435
Prepayment of software	47,585	48,335
Other	197,888	154,666
Total	<u>\$ 955,950</u>	<u>\$ 877,294</u>

(6) Other current assets

	<u>End of 2021</u>	<u>End of 2020</u>
Refundable deposits	\$ 1,443,459	\$ 793,529
Other current assets	240,266	261,086
	<u>\$ 1,683,725</u>	<u>\$ 1,054,615</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	<u>Dec. 31st, 2021</u>	<u>Dec. 31st, 2020</u>
Non-current item:		
Equity instruments		
Unlisted, over the counter, emerging stocks	\$ 107,939	\$ 107,939
Adjustment for change	(10,221)	(838)
Exchange rate impact	(11,179)	(8,007)
Total	<u>\$ 86,539</u>	<u>\$ 99,094</u>

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, 2021 is 86,539 NTD (thousand) and on December 31st, 2020 is 99,094 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 86,539 NTD (thousand) on December 31st, 2021 and 99,094 NTD on December 31st, 2020.

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, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	(\$ <u>9,698</u>)	(\$ <u>3,959</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,2021</u>	<u>Dec.31st,2020</u>
Balance on Jan. 1 st of the year	\$ 1,240,282	\$ 1,220,207
Addition of investments accounted for using equity method	-	132,219
Share of profit or loss of investments accounted for using equity method	9,398	(55,845)
Earnings distribution of investments accounted for using equity method	(75,082)	(74,472)
Other equity changes-culative conversion	(1,791)	3,879
Effect of exchange rate	(<u>12,280</u>)	<u>14,294</u>
Balance of Dec.31 st of the year	<u>\$ 1,160,527</u>	<u>\$ 1,240,282</u>

Associate corporation

1.On January 19, 2020, Changchun Engley Automobile Industry Co., Ltd., a subsidiary of the Group, invested 16.06% in Changchun Ceck Auto Parts Co., Ltd., a subsidiary of Honley Auto. Parts Co., Ltd.The increase in the Group's consolidated shareholding in Ceck is 40.96%.The investment amount was US\$4.4 million and the investment amount was remitted on February 24 of the same year.

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

Corporation name	Main business location	<u>Shareholding ratio</u>		Relationship	Measuring method
		<u>Dec.31st. 2021</u>	<u>Dec.31st. 2020</u>		
ConstelliumEngley	China	46%	46%	Strategic investment	Equity method
Honley Auto. Parts Co.,Ltd	Taiwan	36.63%	36.63%	Strategic investment	Equity method
Zhejiang Sanse Mold Technology Co., Ltd	China	20%	20%	Strategic investment	Equity method

3. 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, 2021</u>	<u>Dec. 31st, 2020</u>
Current assets	\$ 1,046,386	\$ 950,692
Non-current assets	515,093	429,119
Current liabilities	(811,969)	(702,355)
Non-current liabilities	(53,865)	(25,369)
Total net assets	<u>\$ 695,645</u>	<u>\$ 652,087</u>
Share of net assets of associates	\$ 319,997	\$ 299,960
Goodwill	-	-
Carrying value of associates	<u>\$ 319,997</u>	<u>\$ 299,960</u>

	<u>Honley Auto. Parts Co., Ltd</u>	
	<u>Dec. 31st, 2021</u>	<u>Dec. 31st, 2020</u>
Current assets	\$ 887,017	\$ 686,516
Non-current assets	1,238,786	1,527,182
Current liabilities	(535,004)	(441,944)
Non-current liabilities	(592,948)	(615,206)
Total net assets	<u>\$ 997,851</u>	<u>\$ 1,156,548</u>
Share of net assets of associates	\$ 330,726	\$ 388,863
Goodwill	-	-
Carrying value of associates	<u>\$ 330,726</u>	<u>\$ 388,863</u>

	<u>Zhejiang Sanse Mold Technology Co., Ltd</u>	
	<u>Dec. 31st, 2021</u>	<u>Dec. 31st, 2020</u>
Current assets	\$ 919,729	\$ 655,628
Non-current assets	447,826	415,191
Current liabilities	(1,004,661)	(676,036)
Non-current liabilities	(3,264)	(2,674)
Total net assets	<u>\$ 359,630</u>	<u>\$ 392,109</u>
Share of net assets of associates	\$ 71,926	\$ 78,421
Goodwill	231,211	233,342
Carrying value of associates	<u>\$ 303,137</u>	<u>\$ 311,763</u>

Statement of Comprehensive Income

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

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Income	\$ 1,347,616	\$ 1,161,886
Net profit of continuing operations in the current period	\$ 201,413	\$ 158,031
Income (loss) on discontinued operations	-	-
Other comprehensive profit and loss (net after tax)	-	-
Total comprehensive profit and loss in the current period	\$ 201,413	\$ 158,031
Dividends received from associates	\$ 69,874	\$ 60,444

Honley Auto. Parts Co.,Ltd

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Income	\$ 28,106	\$ 65,926
Net loss of continuing operations in the current period	(153,808)	(261,710)
Income (loss) on discontinued operations	-	-
Other comprehensive profit and loss(net after tax)	(4,889)	10,590
Total comprehensive profit and loss in the current period	(\$ 158,697)	(\$ 251,120)

Zhejiang Sanse Mold Technology Co., Ltd

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Income	\$ 641,545	\$ 484,500
Net loss of continuing operations in the current period	(40,759)	(48,387)
Income (loss) on discontinued operations	-	-
Other comprehensive profit and loss(net after tax)	-	-
Total comprehensive profit and loss in the current period	(\$ 40,759)	(\$ 48,387)

4.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 2021 and at the end of 2020, total carrying values of the Group's non-significant associates was 206,667 and 239,696 NTD (thousand) respectively.

	<u>Jan. 1st to Dec. 31st,2021</u>	<u>Jan. 1st to Dec. 31st,2020</u>
Income(loss) of continuing operations in the current period	(\$ 24,323)	(\$ 29,287)
Income(loss) on discontinued operations	-	-
Other comprehensive profit and loss(net after tax)	-	-
Total comprehensive profit and loss in the current period	<u>(\$ 24,323)</u>	<u>(\$ 29,287)</u>
Dividends received from associates	<u>\$ 5,208</u>	<u>\$ 15,768</u>

(9) Property, plants and equipment

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	<u>(671,271)</u>	<u>(254,385)</u>	<u>22,878</u>	<u>-</u>	<u>11,216</u>	<u>(891,562)</u>
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	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
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>

Jan. 1st to Dec. 31st,2020

	Opening balance	Added amount	Amount of disposition	Trading of the year	Effect of exchange rate changes	End balance
Cost of house and buildings	\$ 3,572,487	\$ 48,659	(\$ 3,997)	\$ 687,717	\$ 74,615	\$ 4,379,481
Machinery equipment	7,403,227	476,560	(151,320)	73,325	126,136	7,927,928
Transport equipment	75,842	5,319	(8,672)	-	1,271	73,760
Office equipment	506,408	62,029	(11,968)	22,301	10,491	589,261
Mold equipment	1,242,677	186,954	(38,596)	38,693	24,464	1,454,192
Unfinished works and equipment to be inspected	<u>1,094,739</u>	<u>844,013</u>	<u>-</u>	<u>(887,300)</u>	<u>18,514</u>	<u>1,069,966</u>
Cost subtotal	<u>\$ 13,895,380</u>	<u>\$ 1,623,534</u>	<u>(\$ 214,553)</u>	<u>(\$ 65,264)</u>	<u>\$ 255,491</u>	<u>\$ 15,494,588</u>
Accumulated depreciation						
House and building	(\$ 859,591)	(\$ 181,007)	\$ 892	\$ -	(\$ 21,186)	(\$ 1,060,892)
Machinery equipment	(2,779,682)	(643,828)	124,120	39,287	(50,837)	(3,310,940)
Transport equipment	(49,473)	(8,504)	8,057	-	(908)	(50,828)
Office equipment	(279,483)	(80,389)	10,707	-	(6,505)	(355,670)
Mold equipment	<u>(475,030)</u>	<u>(213,793)</u>	<u>28,633</u>	<u>1,004</u>	<u>(12,085)</u>	<u>(671,271)</u>
Accumulated depreciation subtotal	<u>(\$ 4,443,259)</u>	<u>(\$ 1,127,521)</u>	<u>\$ 172,409</u>	<u>\$ 40,291</u>	<u>(\$ 91,521)</u>	<u>(\$ 5,449,601)</u>
Accumulated impairment						
House and building	(\$ 64,888)	\$ -	\$ -	\$ -	(\$ 1,054)	(\$ 65,942)
Machinery equipment	(8,045)	-	-	-	(131)	(8,176)
Transport equipment	(5)	-	-	-	-	(5)
Office equipment	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
Accumulated impairment subtotal	<u>(\$ 72,960)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,185)</u>	<u>(\$ 74,145)</u>
Total	<u>\$ 9,379,161</u>					<u>\$ 9,970,842</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	\$ 46,710	\$ 41,781
Capitalized interest rate interval	0.87%~9.36%	0.84%~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- 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 .2021	
	Amount value	Amount value
Land	\$ 901,487	\$ 942,463
House and building	312,387	402,333
Machinery equipment	6,871	9,303
Transport equipment	34,507	27,426
Office equipment	362	548
	<u>\$ 1,255,614</u>	<u>\$ 1,382,073</u>

	December 31 st .2020	
	Depreciation expense	Depreciation expense
Land	\$ 25,203	\$ 25,622
House and building	94,432	93,257
Machinery equipment	2,326	2,326
Transport equipment	25,587	26,090
Office equipment	452	753
	<u>\$ 148,000</u>	<u>\$ 148,048</u>

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

	Jan. 1st to Dec. 31st,2021	Jan. 1st to Dec. 31st,2020
Items affecting current profit and loss		
Lease liabilities interest expenses	\$ 17,768	\$ 18,520
Short term lease expenses	12,107	11,343
Gain on lease modification	(290)	-

4. The increase in the right-of use assets of the Group from January 1 to December 31, 2021 was

164,218 NTD (thousand) and January 1 to December 31, 2020 was 173,220 NTD (thousand). °
5.The cash outflow from the Group's leasing from January 1st to December 31st, 2021 was 146,981 NTD thousand and January 1st to December 31st, 2020 was 141,102 NTD thousand.

(11)Intangible assets

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	<u>639,268</u>	<u>-</u>	<u>-</u>	<u>(53,597)</u>	<u>585,671</u>
	<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	<u>(310,927)</u>	<u>(68,564)</u>	<u>-</u>	<u>2,840</u>	<u>(376,651)</u>
	<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	<u>(\$ 61,752)</u>	<u>(\$ 33,495)</u>	<u>\$ -</u>	<u>3,691</u>	<u>(91,556)</u>
	<u>(\$ 61,752)</u>	<u>(\$ 93,539)</u>	<u>\$ -</u>	<u>\$ 7,032</u>	<u>(\$ 148,268)</u>
	<u>\$ 1,338,264</u>				<u>\$ 1,111,837</u>

Jan. 1st to Dec. 31st,2020						
	Opening balance	Cost acquired	Decrease in this period	Current transfer	Effect of exchange rate	Ending balance
Cost						
Computer software	\$ 518,165	\$ 73,270	\$ -	\$ 9,141	\$ 19,047	\$ 619,623
Exclusive technology	626,633	-	-	-	10,177	636,810
Goodwill	<u>616,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,514</u>	<u>639,268</u>
	<u>\$1,761,552</u>	<u>\$ 73,270</u>	<u>\$ -</u>	<u>\$ 9,141</u>	<u>\$ 51,738</u>	<u>\$ 1,895,701</u>
Accumulated amortization						
Computer software	(\$ 130,406)	(\$ 49,644)	\$ -	\$ 419	(\$ 5,127)	(\$ 184,758)
Exclusive technology	<u>(238,498)</u>	<u>(67,617)</u>	<u>-</u>	<u>-</u>	<u>(4,812)</u>	<u>(310,927)</u>
	<u>(\$ 368,904)</u>	<u>(\$ 117,261)</u>	<u>\$ -</u>	<u>\$ 419</u>	<u>(\$ 9,939)</u>	<u>(\$ 495,685)</u>
Accumulated loss						
Goodwill	<u>(\$ 10,932)</u>	<u>(\$ 50,643)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 177)</u>	<u>(\$ 61,752)</u>
	<u>(\$ 10,932)</u>	<u>(\$ 50,643)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 177)</u>	<u>(\$ 61,752)</u>
	<u>\$ 1,381,716</u>					<u>\$ 1,338,264</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 .2021				
	Acquired from first time merge	Current decrease	Effect of exchange rate	Balance, at end of the year
Goodwill:				
Netherlands K Company	\$ 458,200	(\$ 80,548)	(\$ 15,680)	\$ 361,972
Ningbo Maoxiang	38,992	(11,008)	(2,369)	25,615
Linde+Engley (Tianjin)	<u>121,991</u>	<u>-</u>	<u>(15,463)</u>	<u>106,528</u>
	<u>\$ 619,183</u>	<u>(\$ 91,556)</u>	<u>(\$ 33,512)</u>	<u>\$ 494,115</u>

December 31 st , 2020				
	Acquired from first time merge	Current decrease	Effect of exchange rate	Balance, at end of the year
Goodwill :				
Netherlands K Company	\$ 458,200	(\$ 50,643)	\$ 36,598	\$ 444,155
Ningbo Maoxiang	38,992	(11,109)	(2,033)	25,850
Linde+Engley (Tianjin)	<u>121,991</u>	<u>-</u>	<u>(14,480)</u>	<u>107,511</u>
	<u>\$ 619,183</u>	<u>(\$ 61,752)</u>	<u>\$ 20,085</u>	<u>\$ 577,516</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.

3. As of December 31st, 2021, the Group's goodwill generated by business merges and acquisitions was 494,115 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. Therefore, the Group recognized goodwill impairment losses of 33,495 thousand and 50,643 thousand after assessment on December 31, 2021 and December 31, 2020, respectively. 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:

	December 31 st .2021	December 31 st .2020
Netherlands K Company		
Discount rate	16.55%	18.36%
Growth rate	3.70%	2.71%
Ningbo Maoxiang		
Discount rate	16.92%	17.11%
Growth rate	2.50%	2.50%
Linde+Engley (Tianjin)		

Discount rate	15.54%	15.54%
Growth rate	2.50%	2.50%

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 91,556 NTD (thousand) was recognized in 2021. 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 2021</u>	<u>End of 2020</u>
Prepayable to equipment	\$ 1,078,384	\$ 1,050,953
Refundable deposits	125,327	258,237
Other non-current assets	217,502	233,152
	<u>\$ 1,421,213</u>	<u>\$ 1,542,342</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 2021 and December 31st 2020, the cumulative impairment recognized by the Group as follows:

	<u>End of 2021</u>	<u>End of 2020</u>
Liaoning Engley		
Accumulated impairment-House and building	\$ 65,340	\$ 65,942
Accumulated impairment –Machinery equipment	8,101	8,176
Accumulated impairment–Transport equipment	5	5
Accumulated impairment–Office equipment	22	22
Kranendonk		
Accumulated impairment –Computer software	56,712	-
Accumulated impairment–Goodwill	80,548	50,643
Ningbo Maoxiang		
Accumulated impairment–Goodwill	11,008	11,109
	<u>\$ 221,736</u>	<u>\$ 135,897</u>

2. The details of the above impairment losses disclosed by asset class are as follows:

	<u>Jan. 1st to Dec. 31st, 2021</u>	<u>Jan. 1st to Dec. 31st, 2020</u>
Computer software	\$ 60,044	\$ -
Goodwill	33,495	50,643
	<u>\$ 93,539</u>	<u>\$ 50,643</u>

3. 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, 2021</u>	<u>Dec. 31st, 2020</u>
Credit loan	<u>\$ 2,491,642</u>	<u>\$ 2,770,210</u>
Interest rate range	<u>0.87%~3.85%</u>	<u>0.84%~4.15%</u>

(15) Other payables

	<u>Dec. 31st, 2021</u>	<u>Dec. 31st, 2020</u>
Payable equipment	\$ 312,064	\$ 369,602
Payroll payable	241,211	241,372
Payable to social security and provident fund	31,424	44,514
Compensation to employees and directors	13,393	9,149
Interbank/shareholder loan	-	44,430
Other payables	<u>448,916</u>	<u>767,637</u>
Total	<u>\$ 1,047,008</u>	<u>\$ 1,476,704</u>

1. 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, and the social security expenses and housing provident funds which should be listed in the annual financial statements for the actual salary of the employees.

2. The interest rate of interbank borrowings on December 31, 2020 was 4.35 %.

(16) Bonds payable

	<u>End of 2021</u>	<u>End of 2020</u>
Third-time unsecured convertible corporate debt in China	\$ 500,000	\$ -
Second-time unsecured convertible corporate debt in China	-	400,000
Deduct : Discount on corporate debt	<u>(17,979)</u>	<u>(1,934)</u>
Sub-total	482,021	398,066
Deduct: Corporate debt due within one year or one business cycle	<u>-</u>	<u>(398,066)</u>
Total	<u>\$ 482,021</u>	<u>\$ -</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, 2021, the conversion price of the converted corporate bonds has been adjusted to 67 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) 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 13,879 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 2021</u>
Syndicated credit loan	From Oct.7,2021 to Oct.7,2026, monthly interest payments	1.10%	None	\$ 1,378,080
Credit loan	From Apr. 10,2017 to Apr. 9,2023, quarterly interest payments	1.63%~2.31%	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 quartly 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				<u>(1,010,185)</u>
				<u>\$ 3,042,609</u>

<u>Nature of loan</u>	<u>Duration and repayment method</u>	<u>Interest rate</u>	<u>Warranty</u>	<u>End of 2020</u>
Syndicated credit loan	From Oct.30,2019 to Oct.30,2022, monthly interest payments	1.55%	None	\$ 1,260,720
Credit loan	From Jan. 23,2018 to Oct. 21,2021,every 2 months and quarterly interest payments	1.30%~3.75%	None	216,709
Credit loan	From Apr. 10,2017 to Apr. 9,2023, monthly and quarterly interest payments	1.63%~3.30%	None	260,588
Credit loan	From Jun. 17,2019 to Jun.30,2023, monthly and quarterly interest payments	3.55%~3.85%	None	1,854,930
Credit loan	From Jun. 29,2019 to Jun.30,2021, quarterly interest payments	1.25%	None	63,269
Credit loan	From Sept. 18,2020 to Dec. 10,2023, monthly interest payments	3.85%~5.04%	None	657,000
Credit loan	From Nov. 16,2020 to Nov.4 ,2022, monthly interest payments	1.30%	None	74,769
Leasing loan	From Dec. 20,2017 to Set.20, 2022, quarterly interest payments	6.69%	Machinery equipment	47,620
Leasing loan	From Apr. 12,2018 to Jan.12,2022, quarterly interest payment.	5.62%	Machinery Equipment	14,147

Leasing loan	From Jun.8,2018 to Mar.8,2022, quarterly interest payments	6.51%	Machinery equipment	45,675
Leasing loan	From Jun.8,2018 to Mar.8,2022, quarterly interest payments	6.51%	Machinery equipment	29,620
Leasing loan	From Jun.8,2018 to Mar.8,2022, quarterly interest payments	6.51%	Machinery equipment	29,205
Leasing loan	From Jun.8,2018 to Mar.8,2022, quarterly interest payments	7.11%	Machinery equipment	79,170
Leasing loan	From Jul. 11,2018 to May 11,2022, quarterly interest payments	9.36%	Machinery equipment	243,246
Leasing loan	From May.21,2019 to May 11,2022, quarterly interest payments	6.00%	Machinery Equipment	69,983
Leasing loan	From Mar. 6,2020 to Mar. 30,2023, monthly interest payments	6.2%~8.25%	Machinery Equipment	128,744
Leasing loan	From Mar. 10,2020 to Mar. 9,2023, monthly interest payments	5.83%	Machinery equipment	<u>160,242</u>
				\$ 5,235,637
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>\$ 4,217,915</u>

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, 2021, the amount of the funds transferred was US\$51,045 USD (thousand) and the amount not transferred was 18,955 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).

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).

3. 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.

(18) Other non-current liabilities

<u>Item</u>	<u>End of 2021</u>	<u>End of 2020</u>
Non-current:		
Deferred government subsidy income	\$ 196,493	\$ 203,040
Other non-current liability-Other	4,176	566
Total	<u>\$ 200,669</u>	<u>\$ 203,606</u>

The Company's subsidiaries, Liaoning Engley Auto Parts Co., Ltd., 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 249,283 NTD (thousand), and revenues are recognized year by year based on 50 years. The Group recognises other income of 4,693 thousand and 18,366 thousand from January 1 to December 31, 2021 and January 1 to December 31, 2020, 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, 2021, and from

January 1 to December 31, 2020 are 116,674 NTD (thousand) and 10,035 NTD (thousand) respectively.

(20) Share capital

As of December 31, 2021, the company has a capital of 3,000,000 NTD(thousand) which is divided into 300,000, 000 shares. The net capital is 1,180,070 NTD (thousand) with a denomination of NT\$10 per share.

(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 17, 2021, the electronic voting results of the shareholders meeting reached the statutory threshold for passing resolutions and June 19, 2020, the Company adopted the resolutions of the shareholders' meeting for the distribution of profits for 2020 and 2019 respectively:

	Year of 2020		Year of 2019	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Statutory surplus reserve	\$ 29,301		\$ 39,230	
Special surplus reserve	(225,395)		467,691	
Cash dividend	218,313	\$ 1.85	295,018	\$ 2.50

7. On March 29, 2022 after the resolution of the board of directors, the resolution for the 2021 surplus distribution was as follows:

	Year 2021	
	Amount	Dividends per share
Statutory surplus reserve	\$ 35,344	
Special surplus reserve	194,508	
Cash dividend	295,331	\$ 2.5

(23) Non-controlling equity

	Year of 2021		Year of 2020	
	\$		\$	
Balance beginning of the year		2,369,731		2,231,623
Share attributable to non-controlling interests				
Net profit		315,181		344,845
Cash dividend		-	(	168,628)
Exchange difference for conversion of financial statements of foreign	(	15,510)		40,584
Unrealized valuation gains and losses on equity instruments at fair value through other comprehensive gains and losses	(	1,624)	(	141)
Difference Non-control interests		1,520,983	(78,552)

Balance, end of the year	\$	4,188,761	\$	2,369,731
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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

	Year of 2021	Year of 2020
Customer contract revenue	\$ 20,277,213	\$ 21,644,152

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:

	Year of 2021		
	China	Other regions	Total
Contract revenue	\$ 24,610,747	\$ 378,879	\$ 24,989,626
Internal department transaction revenue	(4,704,425)	(7,988)	(4,712,413)
External customer contract	\$ 19,906,322	\$ 370,891	\$ 20,277,213
Timing of revenue			
Income recognized at a certain point in time	\$ 19,906,322	\$ 131,822	\$ 20,038,144
Gradually recognized income over time	-	239,069	239,069
	\$ 19,906,322	\$ 370,891	\$ 20,277,213
	Year of 2020		
	China	Other regions	Total
Contract revenue	\$ 26,273,823	\$ 302,053	\$ 26,575,876
Internal department transaction revenue	(4,916,896)	(14,828)	(4,931,724)
External customer contract	\$ 21,356,927	\$ 287,225	\$ 21,644,152
Timing of revenue			
Income recognized at a certain point in time	\$ 21,356,927	\$ 57,117	\$ 21,414,044
Gradually recognized income over time	-	230,108	230,108
	\$ 21,356,927	\$ 287,225	\$ 21,644,152

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, 2021</u>	<u>Dec. 31st, 2020</u>	<u>Jan. 1st, 2020</u>
Contract liabilities:			
Contract liabilities			
-Advance payment	<u>\$ 275,218</u>	<u>\$ 298,911</u>	<u>\$ 265,348</u>

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

	<u>Jan.1st to Dec.31st, 2021</u>	<u>Jan.1st to Dec.31st, 2020</u>
Initial balance of contract liabilities		
Recognized income for the current period		
Revenue from mold	<u>\$ 181,991</u>	<u>\$ 212,677</u>

(25) Other benefits and losses

	<u>Jan.1st to Dec.31st, 2021</u>	<u>Jan.1st to Dec.31st, 2020</u>
Net foreign currency exchange Gain(loss)	\$ 315,452	(\$ 63,671)
Gain or Loss incurred from disposal of property, plant and equipment	270,761	(10,328)
Net profit of financial assets measured at fair value through profit or loss	40,776	34,021
Intangible impairment loss	(93,539)	(50,643)
Other expenses	<u>(14,322)</u>	<u>(29,558)</u>
	<u>\$ 519,128</u>	<u>(\$ 120,179)</u>

(26) Interest income

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Bank deposit interest	<u>\$ 32,007</u>	<u>\$ 12,448</u>

(27) Other income

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Government grants	\$ 87,380	\$ 135,619
Other income — other	<u>28,022</u>	<u>28,124</u>
	<u>\$ 115,402</u>	<u>\$ 163,743</u>

(28) Financial costs

<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
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Interest expense		
Interest of loans	\$ 206,695	\$ 284,649
Lease liabilities	17,768	18,520
Convertible corporate bond	3,561	4,948
Amortization of the hosting fee of syndication	<u>8,126</u>	<u>4,112</u>
	236,150	312,229
Less: the capitalization amount of the eligible item	<u>(46,710)</u>	<u>(41,781)</u>
	<u>\$ 189,440</u>	<u>\$ 270,448</u>

(29) Additional information on expense

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Employees' benefits	\$ 2,359,725	\$ 2,175,483
Depreciation of property, plant and equipment	1,359,844	1,127,521
Right-of-use asset depreciation expense	148,000	148,048
Amortization expenses of intangible assets	<u>122,256</u>	<u>117,261</u>
	<u>\$ 3,989,825</u>	<u>\$ 3,568,313</u>

(30) Employee welfare expenses

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Salary	\$ 1,932,940	\$ 1,887,253
Labor and health insurance	73,076	52,703
Pension	116,674	10,035
Other employment expenses	<u>237,035</u>	<u>225,492</u>
	<u>\$ 2,359,725</u>	<u>\$ 2,175,483</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 0.5% and a maximum of 8%, 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, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Employee remuneration	\$ 3,393	\$ 2,449
Directors' compensation	<u>10,000</u>	<u>6,700</u>
	<u>\$ 13,393</u>	<u>\$ 9,149</u>

The aforementioned amounts are included in the payroll accounts, from January 1 to December 31, 2021 and January 1 to December 31, 2020, based on the profitability as of the current period and estimated according to the company's articles of association.

In accordance with the resolution of the Board of Directors on March 16, 2021, the actual amount of remuneration received by the employees and the

directors in 2020, 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:

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Current tax :		
Current income tax	\$ 134,082	\$ 186,539
Overestimation of income tax in previous years	<u>15,838</u>	<u>(26,226)</u>
Total current income tax	149,920	160,313
Deferred income tax:		
Original generation and revision of temporary differences	<u>32,179</u>	<u>12,948</u>
Deferred income tax expense	<u>32,179</u>	<u>12,948</u>
Income tax expense	<u>\$ 182,099</u>	<u>\$ 173,261</u>

2. Relationship between income tax expense and accounting profit:

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Net income before tax at the statutory tax rate	\$ 321,335	\$ 175,177
Tax-free income in accordance with tax law	(145,349)	(22,541)
Taxation loss unrecognized deferred income Tax assets	63,300	46,851
Realizability of deferred tax assets Changes in assessment	(73,025)	-
Overestimation of income tax in previous years	<u>15,838</u>	<u>(26,226)</u>
Income tax expense	<u>\$ 182,099</u>	<u>\$ 173,261</u>

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, 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 price loss	58,595	11,077	-	69,672
Payable social security expenses and provident fund	4,475	(4,440)	-	35
Tax loss	157,417	(48,246)	-	109,171
Other	<u>51,368</u>	<u>(16,835)</u>	<u>-</u>	<u>34,533</u>
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	<u>(58,128)</u>	<u>1,536</u>	<u>-</u>	<u>(56,592)</u>
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>	
	Jan. 1 st to Dec.31 st , 2020			
	Opening balance	Recognized in profit and loss	Business combination	Ending balance
Temporary difference :				
- Deferred tax assets:				
Allowance for bad debts	\$ 18,892	\$ 10,762	\$ -	\$ 29,654
Income from unrealized land grants	24,273	(180)	-	24,093
Sluggish inventory and price loss	53,133	5,462	-	58,595
Payable social security expenses and provident fund	8,992	(4,517)	-	4,475
Tax loss	167,754	(10,337)	-	157,417
Other	<u>41,759</u>	<u>9,609</u>	<u>-</u>	<u>51,368</u>
Subtotal	<u>\$ 314,803</u>	<u>\$ 10,799</u>	<u>\$ -</u>	<u>\$ 325,602</u>
- Deferred income tax liabilities:				
Foreign long-term investment income	(\$ 300,524)	\$ -	\$ -	(\$ 300,524)
Land use-of-right tax difference	(35,762)	-	548	(35,214)

Intangible asset tax difference	(61,373)	-	11,643	(49,730)
Tax difference of property, plant and equipment	(13,244)	-	736	(12,508)
Other	(34,381)	(23,747)	-	(58,128)
Subtotal	<u>(\$ 445,284)</u>	<u>(\$ 23,747)</u>	<u>\$ 12,927</u>	<u>(\$ 456,104)</u>
Total		<u>(\$ 12,948)</u>	<u>\$ 12,927</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 31 st , 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>		

December 31 st , 2020					
Year of occurrence	Number of declarations / approved numbers	Amount not yet deducted	Unrecognized deferred income tax assets	Final deduction year	
2015	\$ 31,755	\$ 31,755	\$ 26,332	2020	
2016	143,103	73,473	38,496	2021	
2017	137,175	137,175	71,634	2022	
2018	304,637	304,637	32,826	2023	
2019	386,169	386,169	38,462	2024	
2020	223,048	223,048	192,610	2025	
	<u>\$ 1,225,887</u>	<u>\$ 933,209</u>	<u>\$ 400,360</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 2019
Suzhou Engley Auto Part Co., Ltd.	Applicable tax rate: 15%; Applying a preferential tax rate high-tech project from 2018
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, 2021 and December 31, 2020 were 1,459,062 NTD (thousand) and 862,557 NTD (thousand) respectively.

7. Engley Automobile Industry Co., Ltd income tax settlement declaration, which has been approved by the tax collection authority until 2021.

(32) Earnings per share

	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
	Jan. 1 st to Dec.31 st , 2020		
	After tax amount	Weighted average number of shares in circulation (thousand shares)	Earning per share (NTD)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent company	\$ 480,621	118,007	\$ 4.07
<u>Diluted earning per share</u>			
Net profit attributable to ordinary shareholders of the parent company	480,621	118,007	
Effect of dilution on ordinary shares			
Convertible corporate debt	4,948	2,538	
Employee compensation	-	39	
Impact of net profit plus potential common stock attributable to the common shareholders of the parent company	\$ 485,569	120,584	\$ 4.03

(33) Transactions with non-controlling interests

Acquisition of additional interests in subsidiaries

In June 2020, the Group acquired 25% of the issued shares of Kranendonk Beheersmaatschappij B.V. for \$266,160 thousand in cash. The transaction reduced the non-controlling interest by \$52,726 thousand and increased the equity attributable to the owners of the parent company by \$52,726 thousand. The effect of the change in the equity of KranendonkBeheersmaatschappij B.V. from January 1 to December 31, 2020 on the equity attributable to the owners of the parent company is as follows:

	<u>Jan. 1st to Dec.31st, 2020</u>
Non-control interests purchased	\$ 52,726
The consideration of payment to a non-controlling interest	(266,160)
Actual acquisition of the difference between the equity price and the account of the non-controlling interests of	<u>(\$ 213,434)</u>
The reduction in retained surpluses is attributable to:	
Parent company equity	<u>(\$ 187,608)</u>
non-controlling interests	<u>(\$ 25,826)</u>

(34) Information of cash flow supplement

Investment activities with only partial cash payment:

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Purchase of real estate, plant and equipment	\$ 1,809,427	\$ 1,623,534
Plus : Beginning payment of equipment	369,602	366,567
Less: Ending payment of equipment	(312,064)	(369,602)
Less : Beginning prepayment of equipment	(1,050,953)	(1,252,559)
Plus : Ending prepayment of equipment	<u>1,078,384</u>	<u>1,050,953</u>
Cash payment	<u>\$ 1,894,396</u>	<u>\$ 1,418,893</u>

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Dividends revenue	(\$ 75,082)	(\$ 74,472)
Plus : Beginning account dividends	(60,444)	(9,578)
Less: Ending account dividends	69,874	60,444
Effect of exchange rate	<u>552</u>	<u>(1,895)</u>
Increase in cash	<u>(\$ 65,100)</u>	<u>(\$ 25,501)</u>

(35) Changes in liabilities from financing activities

	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>
	Short term loan	Other loan	Bonds payable	Dividend payable	Long term loan	Lease liability	Total liabilities from financing activities
Jan.1 st , 2020	\$ 3,005,943	\$ 44,696	\$ 869,518	\$ -	\$ 5,048,910	\$ 390,038	\$ 9,359,105
Changes in financing cash flow (	303,696)	-	(476,400)	(295,018)	80,714	(111,239)	(1,105,639)
Current increase	-	-	-	295,018	-	-	295,018
Effect of exchange rate	67,963	(266)	-	-	94,364	7,751	169,812
Change in bond discount	-	-	4,948	-	-	-	4,948
Other non-cash changes	-	-	-	-	4,112	173,220	177,332
Dec.31 st , 2020	<u>\$ 2,770,210</u>	<u>\$ 44,430</u>	<u>\$ 398,066</u>	<u>\$ -</u>	<u>\$ 5,228,100</u>	<u>\$ 459,770</u>	<u>\$ 8,900,576</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
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
Changchun CECK Auto. Parts Co.,Ltd.	Associates
Chongqing HC&C Auto Parts Co., Ltd.	Associates
Tianjin Chinli Auto Parts Industrial Co., Ltd.	Associates
Qingdao Youli Auto Parts Industrial Co, Ltd.	Associates

(3) Major transactions with related persons

1.Purchase

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Merchandise sale:		
— Associates	\$ 1,303,700	\$ 991,534
— Other related	139,115	223,595
	<u>\$ 1,442,815</u>	<u>\$ 1,215,129</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 ,2021	December 31 st ,2020
Receivables to related:		
— ConstelliumEngley	\$ 69,874	\$ 60,444
— Associates	1,716	3,600
— Other related parties	112	113
	<u>\$ 71,702</u>	<u>\$ 64,157</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 ,2021	December 31 st ,2020
Notes payable to related:		
— Associates	<u>\$ 211,914</u>	<u>\$ 88,921</u>

4. Accounts payables

	December 31 st ,2021	December 31 st ,2020
Accounts due to related :		
— Associates	\$ 252,839	\$ 510,086
— Other related parties	25,237	51,770
	<u>\$ 278,076</u>	<u>\$ 561,856</u>

5. Other payables

	December 31 st ,2021	December 31 st ,2020
— Associates	\$ -	\$ 2,738
— Other related parties	1,298	-
	<u>\$ 1,298</u>	<u>\$ 2,738</u>

6. Prepayment

	December 31 st ,2021	December 31 st ,2020
— Associates	\$ 19,476	\$ 12,114
— Other related parties	21,792	-
	<u>\$ 41,268</u>	<u>\$ 12,114</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. Operating expense

	<u>December 31st,2021</u>	<u>December 31st,2020</u>
— Associates	\$ 1,395	\$ 18
— Other related parties	<u>52,375</u>	<u>41,172</u>
	<u>\$ 53,770</u>	<u>\$ 41,190</u>

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

8. 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:

	<u>December 31st,2021</u>	<u>December 31st,2020</u>
Jilin Jinli	<u>\$ 145,783</u>	<u>\$ 154,359</u>

B. Interest expense:

	<u>December 31st,2021</u>	<u>December 31st,2020</u>
Jilin Jinli	<u>\$ 7,110</u>	<u>\$ 7,339</u>

(4) Salary information of key management

	<u>Jan. 1st to Dec.31st, 2021</u>	<u>Jan. 1st to Dec.31st, 2020</u>
Salary and benefits of short term employees	<u>\$ 95,747</u>	<u>\$ 101,907</u>

8. Pledged assets

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

	<u>Carrying value</u>		
<u>Assets</u>	<u>December 31st,2021</u>	<u>December 31st,2020</u>	<u>Guaranteed purpose</u>
Refundable deposit (List other current assets)	\$ 1,443,459	\$ 793,529	Acceptance deposit and margin of agreement to acquire subsidiary
Refundable deposit (List other non-current assets)	125,327	258,237	Lease loan and Lease deposit
Property, plant and equipment	403,554	1,106,191	Lease loan
Notes receivable	1,273,120	774,760	Acceptance deposit
Financial assets measured at amortised cost - current	3,874		Reimbursement account for joint -loan
	<u>\$ 3,249,334</u>	<u>\$ 2,932,717</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

Capital expenditures that have been signed but not yet incurred:

	<u>December 31st,2021</u>	<u>December 31st,2020</u>
Property, plant and equipment	<u>\$ 2,431,956</u>	<u>\$ 2,617,071</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, 2021 and December 31, 2020, the debt to capital ratio of the Group was as follows:

	<u>December 31st,2021</u>	<u>December 31st,2020</u>
Total loan	\$ 6,739,814	\$ 8,448,343
Less : Cash and cash equivalents	(3,387,938)	(4,578,467)
Net debt	3,351,876	3,869,876
Total equity	<u>15,091,447</u>	<u>13,445,532</u>
Total capital	<u>\$ 18,443,323</u>	<u>\$ 17,315,408</u>
Debt to capital ratio	<u>18.17%</u>	<u>22.35%</u>

(2) Financial instruments

1.Types of financial instruments

	<u>December 31st,2021</u>	<u>December 31st,2020</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	\$ 9,609	\$ -
Financial assets measured at fair value through other comprehensive income		
Select the specific equity instrument investment	86,539	99,094
Financial assets measured by amortized cost		
Cash and cash equivalents	3,387,938	4,578,467
Financial assets measured at amortised cost - current	3,874	8,189
Notes receivable	1,501,570	2,614,707
Accounts receivable(including related parties)	3,935,956	3,192,312
Other accounts receivable(including related parties)	137,785	116,202
Refundable deposits	<u>1,568,786</u>	<u>1,051,766</u>
	<u>\$ 10,632,057</u>	<u>\$ 11,660,737</u>
<u>Financial liabilities</u>		
Financial liabilities measured by amortized cost		
Short term loan	\$ 2,491,642	\$ 2,770,210
Notes payable(including related parties)	3,298,849	2,153,065
Accounts payable(including related parties)	4,590,297	5,421,206
Other accounts payable(including related parties)	1,048,306	1,479,442
Corporate debt payable(including those parts which are due within one year)	482,021	398,066
Long term loan (including those parts which are due within one year)	<u>3,759,683</u>	<u>5,228,100</u>
	<u>\$ 15,670,798</u>	<u>\$ 17,450,089</u>
Lease liability(including those parts which are due within one year)	<u>\$ 377,524</u>	<u>\$ 459,770</u>

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 ,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

December 31 st ,2020			
	Foreign currency (in thousand)	Exchange rate	Carrying amount(NTD)
(Currency:functional currency)			
<u>Financial asset</u>			
<u>Currency</u>			
CNY : NTD	\$ 5,837	28.48	\$ 166,238
USD : NTD	2,049	35.02	71,756
<u>Financail liabilities</u>			
<u>Currency</u>			
USD : CNY	\$ 14,802	6.52	\$ 421,561
Euro : NTD	80,585	35.02	2,822,087
Euro : CNY	18,489	8.00	647,485

- C.All exchange benefits and losses were recognized as losses by the Group's monetary projects from January 1 to December 31, 2021 and from January 1 to December 31, 2020 due to exchange rate fluctuations (including realized and unrealized). The total amount of gains was 315,452 NTD (thousand) and losses was 13,570 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 , 2021				
Sensitivity analysis				
	Amplitude of fluctuation	Impact profit and loss	Affect other comprehensive profit and loss	
(Currency:functionalcurrency)				
Financial assets				
Currency				
CNY: NTD	1%	\$ 1,223		-
USD : NTD	1%	1,252		-
Financial liabilities				
Currency				
USD: CNY	1%	\$ 3,155		-
Euro : NTD	1%	27,593		-
Euro : CNY	1%	4,394		-

Jan. 1 st to Dec.31 st , 2020				
Sensitivity analysis				
	Amplitude of fluctuation	Impact profit and loss	Affect other comprehensive profit and loss	
(Currency:functional currency)				
<u>Financial assets</u>				
<u>Currency</u>				
USD : NTD	1%	\$	1,662	-
Euro : NTD	1%		718	-
<u>Financial liabilities</u>				
<u>Currency</u>				
USD : CNY	1%	\$	4,216	-
Euro : NTD	1%		28,221	-
Euro : CNY	1%		6,475	-

Price risk

- A. 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.
- B. 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, 2021 and 2020 would have increased/decreased by 96 and 0, 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 865 and 991, 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, 2021 and from January 1 to December 31, 2020, 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, 2021 and January 1 to December 31, 2020 will be reduced or increased by 46,933 NTD (thousand) and 60,044 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. When setting a two series of investment targets for independent rating, the Company determines that the subject matter of the investment is a significant increase in credit risk.
- E. 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.
- F. The Company will use a simplified approach to customer accounts receivable to estimate expected credit losses on the basis of the loss rate method.
- G. 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, 2021 and January 1 to December 31, 2020 is as follows:

<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%	92,932	79,052
		<u>\$ 5,557,119</u>	<u>\$ 119,593</u>
<u>December 31st, 2020</u>	Expected loss rate	Expected loss rate	Total carrying value
Not overdue	0.12%	\$ 5,698,249	\$ 6,632
Within 90 days	4.01%	109,245	4,379
91-180 days	16.57%	9,650	1,599

More than 181 days	98.15%	<u>134,317</u>	<u>131,832</u>
		<u>\$ 5,951,461</u>	<u>\$ 144,442</u>

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

	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>

	2020			
	Note receivable	Accounts receivable	Other accounts receivable	Total
January 1 st	\$ 72,162	\$ 72,162	\$ 21	\$ 72,183
Impairment loss	(4,168)	(4,168)	3,248	(920)
Effect of exchange rate	(1,497)	(1,497)	(64)	(1,561)
December 31 st	<u>\$ 66,497</u>	<u>\$ 66,497</u>	<u>\$ 3,205</u>	<u>\$ 69,702</u>

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

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

	2020			
	Lifetime			Total
	12 months	Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 8,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,189</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, 2021 and December 31, 2020 were 11,167,678 NTD (thousand) and 9,656,566 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 , 2021	<u>1 year or less</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>5years 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

Dec.31 st , 2020	<u>1 year or less</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-5 years</u>	<u>5years or more</u>	<u>Total</u>
Short term loan	\$ 2,796,609	\$ -	\$ -	\$ -	\$ -	\$ 2,796,609
Notes payable	2,064,144	-	-	-	-	2,064,144
Notes payable-related party	88,921	-	-	-	-	88,921
Accounts payable	4,859,350	-	-	-	-	4,859,350
Accounts payable-related party	561,856	-	-	-	-	561,856
Other payables	1,428,511	-	-	-	-	1,428,511
Other payables-related party	2,738	-	-	-	-	2,738
Lease payment	127,612	96,061	79,813	81,717	155,631	540,834
Corporate bonds payable (including part due within one year)	400,000	-	-	-	-	400,000
Long-term loans (including the part due within one year)	1,176,976	2,498,707	1,796,495	-	-	5,472,178

(3) Fair value information

1. The various levels of valuation techniques used to measure the fair value of financial and non-financial 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, accounts receivable - related parties, 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:

	Jan.1 st to Dec. 31 st , 2021	
	Fair value	
	Book value	The third level
Corporate bonds payable	\$ 482,021	\$ 479,080

	Jan.1 st to Dec. 31 st , 2020	
	Fair value	
	Book value	The third level
Corporate bonds payable (including due within one year)	\$ 398,066	\$ 397,778

(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, 2021</u>	<u>The 1st level</u>	<u>The 2nd level</u>	<u>The 3rd level</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				
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	<u>\$ 7,559</u>	<u>\$ -</u>	<u>\$ 88,589</u>	<u>\$ 96,148</u>

<u>December 31st,2020</u>	<u>The 1st level</u>	<u>The 2nd level</u>	<u>The 3rd level</u>	<u>Total</u>
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income				
- Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,094</u>	<u>\$ 99,094</u>

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, 2021 and from January 1 to December 31, 2020. °

6. The following table shows the changes in the third level from January 1 to December 31, 2021 and January 1 to December 31, 2020:

	<u>Jan.1st to Dec.31st, 2021</u>	<u>Jan.1st to Dec.31st, 2020</u>
Opening balance	\$ 99,094	\$ 108,439
Issued in the period	937	-
Gains recognised in profit or loss	1,113	-
Benefits recognized in other comprehensive income	(9,698)	(3,959)
Impact of exchange rate	(2,857)	(5,386)
Ending balance	<u>\$ 88,589</u>	<u>\$ 99,094</u>

7. Within year of 2021 and year of 2020, 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 31 st ,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%	
	December 31 st ,2020 Fair value	Evaluated technology	Major unobservable Input value	Range (Weighted average)	Relationship between input value and fair value
Equity securities	\$ 99,094	Discounted cash flow method	Long term revenue growth rate	0%~5%	The higher the long term revenue growth rate and long term pre-tax business net profit, the higher the fair value.

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 31 st ,2021			
			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%	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>
			December 31 st ,2020			
			Recognized as profit and loss		Recognized in other comprehensive income	
			Unfavorable		Unfavorable	
	Input value	Change	Favorable change	change	Favorable change	change
Financial assets						
Equity securities	Cash flow	±1%	\$ -	\$ -	\$ 991	(\$ 991)

(4) Fair value information

In cooperation with the COVID-19 epidemic prevention work of the Jilin Provincial Government in China, Changchun City has suspended work and

quarantine. The actual work resumption date is subject to the notification from the local government. The Group has been in close contact with customers and suppliers to adjust the delivery time and continue to pay close attention to the development of the epidemic. The production and operation of subsidiaries in other regions are not affected

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: please refer on schedule 6.
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 7.
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 8.
9. Engage in derivatives trading : none.
10. Business relations and important transaction transactions and amounts between the parent company and its subsidiaries and between subsidiaries: Please refer schedule 9.

(2) Information of re-investment

The name of the invested company, the region and other relevant information (excluding mainland invested companies): Please refer schedule 10.

(3) Information of China investment

1. Basic information : Please refer to schedule 11.
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 11.

(4) Information of Main stockholder

Information of Main stockholder: Please refer schedule 12.

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, 2021 to December 31 and 2020, From 1st to December 31, the department's information should be reported as follows:

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

	Jan. 1 st to Dec. 31 st , 2020								
	Changchun Engley Industrial	Changchun Engley auto parts	Chengdu Engley	Foshan Engley	Linde+Engley (Tianjin)	Suzhou Engley Auto	Tsingtao Engley	Total	
<u>Income</u>									
Customers from revenue from customers,									\$
Income from customers	\$ 5,561,372	\$ 647,158	\$ 1,531,096	\$ 1,969,568	\$ 4,955,380	\$ 2,201,448	\$ 1,402,261	\$ 18,268,283	
Income from other sectors within the enterprise	479,189	1,588,380	90,093	13,089	22,574	12,094	14,031	2,219,450	
Total income	\$ 6,040,561	\$ 2,235,538	\$ 1,621,189	\$ 1,982,657	\$ 4,977,954	\$ 2,213,542	\$ 1,416,292	\$ 20,487,733	
Departmental profit and loss	(\$ 163,740)	\$ 114,794	\$ 95,340	\$ 91,139	\$ 854,159	\$ 62,848	(\$ 40,338)	\$ 1,014,202	
Departmental profit and loss including :									
Interest incomes	\$ 2,893	\$ 300	\$ 947	\$ 1,223	\$ 2,444	\$ 565	\$ 376	\$ 8,748	
Financial cost	(113,612)	-	-	(13,948)	(1,589)	(25,938)	(25,466)	(180,553)	
depreciation and amortisation	(265,885)	(67,360)	(90,338)	(93,840)	(111,319)	(143,764)	(76,809)	(849,315)	
Recognised investment profit or loss which is adopting equity method	(128,539)	72,694	-	-	-	-	-	(55,845)	
Expense of income tax	2,652	(4,132)	(2,425)	(14,808)	(113,890)	(1,096)	(2,197)	(135,896)	

(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 , 2021	Jan.1 st to Dec.31 st , 2020
The operating department's adjusted income should be reported	\$ 20,303,975	\$ 20,487,733
Adjusted income of other operating departments	4,685,651	6,088,143
Total operating departments	24,989,626	26,575,876
Eliminate interdepartmental income	(4,712,413)	(4,931,724)
Total consolidated operating income	\$ 20,277,213	\$ 21,644,152

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

	Jan.1 st to Dec.31 st , 2021	Jan.1 st to Dec.31 st , 2020
The adjustment of pre-tax gains and losses by the operating segments should be reported	\$ 707,008	\$ 1,014,202
Adjustment of post-tax gains and losses by other operating segments	646,024	582,862
Total operating departments	1,353,032	1,597,064
Eliminate inter-departmental gains and losses	(190,484)	(598,337)
Continued business sector pre-tax gains and losses	\$ 1,162,548	\$ 998,727

(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:

	Jan. 1 st to Dec.31 st , 2021	Jan. 1 st to Dec.31 st , 2020
Commodity sales revenue	\$ 18,976,917	\$ 19,417,988
Income from molding and others	1,300,296	2,226,164
Total	\$ 20,277,213	\$ 21,644,152

(6) Regional information

Reginal information of the Group as of January 1st to December 31st, 2021 and

from January 1st to December 31st, 2020 is as follows:

	<u>Jan. 1st to Dec.31st, 2021</u>		<u>Jan. 1st to Dec.31st, 2020</u>	
	<u>Income</u>	<u>Non-current assets</u>	<u>Income</u>	<u>Non-current assets</u>
China	\$19,906,322	\$13,040,173	\$21,356,927	\$12,992,300
Other regions	370,891	568,282	287,225	800,476
	<u>\$20,277,213</u>	<u>\$13,608,455</u>	<u>\$21,644,152</u>	<u>\$13,792,776</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 of the Company in 2021 and 2020 is listed below:

	<u>Jan.1st to Dec.31st, 2021</u>		<u>Jan.1st to Dec.31st, 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Company A	\$ 8,312,691	41%	\$ 9,468,510	44%
Company B	3,990,643	20%	4,458,051	21%

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CAYMAN ENGLE INDUSTRIAL CO., LTD. and Its Subsidiaries

Capital Loan to Others

From January 1 to December 31, 2021

Schedule I

Unit: NT\$ 1,000

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 Name Value	Capital Loan and Quota to Each (Note 2)	Capital Loan and Total Quota (Note 3)	Note
0	CAYMAN ENGLE INDUSTRIAL CO., LTD. Changchun Engley	Kranendonk Beheersmaatschappij B.V.	Other Receivables	Yes	\$ 156,600	\$ 109,620	\$ 109,620	4.60%	2	\$ -	Operating Turnover	None	None None	\$ 4,361,074	\$ 4,361,074	
1	Automobile Industry CO., Ltd. Changchun Engley	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	427,954	347,200	104,160	3.85%	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	
1	Automobile Industry CO.,Ltd Changchun Engley	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	481,740	434,000	217,000	3.85%	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	
1	Automobile Industry CO.,Ltd Changchun Engley	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	82,460	30,380	-	-	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	
1	Automobile Industry CO.,Ltd Changchun Engley	Ningbo Engley Automobile Industry CO.,Ltd	Other Receivables	Yes	130,200	86,800	34,720	0	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	
1	Automobile Industry CO.,Ltd Changchun Engley	Linde+Engley (Tianjin) Auto	Other Receivables	Yes	217,000	-	-	-	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	Note 6
1	Automobile Industry CO.,Ltd Changchun Engley	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	217,000	217,000	-	-	2	-	Operating Turnover	None	None None	1,591,949	6,367,796	
2	Changchun Engley Automobile Parts CO.,Ltd Changchun Engley	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	95,480	86,800	8,625	3.85%	2	-	Operating Turnover	None	None None	763,999	1,527,998	
2	Automobile Parts CO.,Ltd Changchun Engley	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	177,940	156,240	119,968	3.85%	2	-	Operating Turnover	None	None None	763,999	1,527,998	
2	Automobile Parts CO.,Ltd Changchun Engley	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	99,820	99,820	94,460	3.85%	2	-	Operating Turnover	None	None None	763,999	1,527,998	
2	Automobile Parts CO.,Ltd Changchun Engley	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	464,380	464,380	430,199	0	2	-	Operating Turnover	None	None None	763,999	1,527,998	
2	Automobile Parts CO.,Ltd Changchun Engley	Foshan Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	73,780	73,780	51,487	0	2	-	Operating Turnover	None	None None	763,999	1,527,998	
3	Chengdu Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	78,120	73,780	73,780	3.85%	2	-	Operating Turnover	None	None None	519,638	1,039,276	
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	295,120	295,120	251,720	0	2	-	Operating Turnover	None	None None	519,638	1,039,276	
3	Chengdu Engley Automobile Parts CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	Other Receivables	Yes	34,720	34,720	34,720	4.35%	2	-	Operating Turnover	None	None None	519,638	1,039,276	
3	Chengdu Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	151,900	138,880	138,880	3.85%	2	-	Operating Turnover	None	None None	519,638	1,039,276	
3	Chengdu Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	Other Receivables	Yes	117,180	117,180	117,180	3.85%	2	-	Operating Turnover	None	None None	519,638	1,039,276	
3	Chengdu Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	86,800	86,800	86,800	3.85%	2	-	Operating Turnover	None	None None	519,638	1,039,276	
4	Liaoning Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	13,020	13,020	13,020	0	2	-	Operating Turnover	None	None None	43,793	87,587	
4	Liaoning Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	8,680	8,680	8,680	0	2	-	Operating Turnover	None	None None	43,793	87,587	
5	Linde+Engley (Tianjin) Auto	Linde+Engley (Changchun) Auto Parts Co., Ltd.	Other Receivables	Yes	130,200	86,800	86,800	0	2	-	Operating Turnover	None	None None	1,136,044	1,136,044	
6	Ningbo Maoxiang Metal Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.	Other Receivables	Yes	65,100	65,100	65,100	0	2	-	Operating Turnover	None	None None	103,234	412,937	
7	Taizhou Maoqi Metal Co., Ltd.	Ningbo Maoxiang Metal Co., Ltd.	Other Receivables	Yes	43,400	-	-	-	2	-	Operating Turnover	None	None None	58,147	232,587	Note 6
8	Foshan Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	65,100	65,100	65,100	0	2	-	Operating Turnover	None	None None	404,609	809,217	
8	Foshan Engley Automobile Parts CO.,Ltd	Tsingtao Engley Auto Part Co., Ltd.	Other Receivables	Yes	69,440	69,440	69,440	0	2	-	Operating Turnover	None	None None	404,609	809,217	

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Capital Loan to Others

From January 1 to December 31, 2021

Schedule I

Unit: NT\$ 1,000

Number	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	Note
(Note 1)						(Note 4)			(Note 5)				Name Value	(Note 2)	(Note 3)	
8	Foshan Engley Automobile Parts CO.,Ltd	Linde+Engley (Changchun) Auto Parts Co.,	Other Receivables	Yes	86,800	86,800	-	-	2	-	Operating Turnover	None	None None	404,609	809,217	
9	Changchun Lightweight Technology Co., Ltd.	Changsha Engley Automobile Parts CO.,Ltd	Other Receivables	Yes	26,040	26,040	26,040	0	2	-	Operating Turnover	None	None None	152,248	304,495	

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, 2021, the closing balance is 0.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Endorsement for Others

From January 1 to December 31, 2021

Schedule II

Unit: NT\$ 1,000

Schedule 1														Unit: RMB 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)											
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Tianjin Engley Mold Manufacturing CO.,Ltd	2	\$ 5,451,343	\$ 355,400	\$ 217,000	\$ 178,687	\$ -	1.99%	\$ 16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	2	5,451,343	395,520	395,520	125,280	-	3.63%	16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Qingdao Engley Automobile Parts CO.,Ltd	2	5,451,343	308,240	308,240	86,786	-	2.83%	16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Ningbo Maoxiang Metal Co., Ltd.	2	5,451,343	525,920	387,520	285,604	-	3.55%	16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Taizhou Maoqi Metal Co., Ltd.	2	5,451,343	502,000	418,960	145,320	-	3.84%	16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Suzhou Engley Automobile Parts CO.,Ltd	2	5,451,343	276,800	138,400	-	-	1.27%	16,354,028	Y	N	Y	Note 2
0	CAYMAN ENGLEY INDUSTRIAL CO., LTD.	Changsha Engley Automobile Parts CO.,Ltd	2	5,451,343	138,400	138,400	68,904	-	1.27%	16,354,028	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	2	7,959,746	1,291,150	1,074,150	86,800	-	6.75%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	2	7,959,746	1,351,910	1,134,910	176,845	-	7.13%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	2	7,959,746	1,134,910	1,004,710	93,310	-	6.31%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	2	7,959,746	924,420	924,420	-	-	5.81%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	2	7,959,746	132,370	132,370	4,422	-	0.83%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	2	7,959,746	1,828,038	1,519,000	607,600	-	9.54%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	2	7,959,746	151,900	151,900	-	-	0.95%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Ningbo Maoxiang Metal Co., Ltd.	2	7,959,746	217,000	217,000	82,214	-	0	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Chengdu Engley Automobile Parts CO.,Ltd	2	7,959,746	173,600	173,600	-	-	1.09%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	2	7,959,746	173,600	173,600	68,130	-	1.09%	23,879,237	Y	N	Y	Note 2
1	Changchun Engley Automobile Industry CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	2	7,959,746	86,800	86,800	33,089	-	0.55%	23,879,237	Y	N	Y	Note 2
2	Ningbo Maoxiang Metal Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.	2	206,469	130,200	130,200	48,740	-	0	516,172	N	N	Y	Note 2

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

(1) The issuer puts in 0.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries

Endorsement for Others
From January 1 to December 31, 2021

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)										

(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-subsidary 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, 2021

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	\$ 3,815	0.01%	\$ 2,863	
Changsha Engley Automobile Parts CO.,Ltd	Zotye Automobile Co., Ltd.	-	Financial assets at fair value through profit or loss	170,387	6,256	0.01%	4,696	
					\$ 10,071		\$ 7,559	
			Valuation Adjustment		(2,512)			
					\$ 7,559			
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%	\$ 99,094	
			Valuation Adjustment		(838)			
			Number of Exchange Rate Effects		(8,007)			
					\$ 99,094			

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 ENGLE 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, 2021

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			Profit/Loss Disposal	Ending	
					Shares	Amount	Shares	Amount	Shares	Selling Price	Book Cost		Shares	Amount
Changchun Engley Automobile Industry CO.,Ltd	Qian Yuan - Daily & Monthly (by Day) Open Financial Products	Financial Assets Measured at Fair Value Through Profit and Loss - Current	China Construction Bank Corporation	-	-	\$ -	-	\$ 954,800	-	\$ 957,429	\$ 954,800	\$ 2,629	-	\$ -
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	-	-	-	-	4,448,500	-	4,459,134	4,448,500	10,634	-	-
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	-	-	-	-	716,100	-	717,280	716,100	1,180	-	-
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	-	-	-	-	1,666,560	-	1,675,919	1,666,560	9,359	-	-
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	-	-	-	-	1,549,380	-	1,553,370	1,549,380	3,990	-	-
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	-	-	-	-	761,670	-	762,461	761,670	791	-	-
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	-	-	-	-	647,528	-	648,969	647,528	1,441	-	-

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 ENGLEIGH 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, 2021

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	Previous Transferred Information if the Transaction				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	\$ 345,306	\$ 340,188	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 ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

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

December 31, 2021

Schedule VI

Unit: NT\$ 1,000

Companies Who disposal Real Estate		Occurrence	original date of acquisition	Book Value	Transaction Amount	Price collection situation	al profit an	Transaction counterpart	Relation ship	Disposal Purpose	(unless otherwise specified) Reference for Price Determination	Other Agreed Items
Ningbo Maoxiang Metal Co., Ltd.	Land use rights,	2021/11/9	2001/3/9	\$ 193,810	\$ 520,800	received in full	\$ 262,634	Ningbo Yongbo Intelligent Technology Co., Ltd.	-	Respond to working capital needs, management needs and activate assets.	market price	-

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.

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, 2021

Schedule VII

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

Purchase (Sale) Companies	交易對象名稱	Relationship	Transaction Status	Purchase (Sale) of Goods	Amount	Ratio of Total Purchase (Sale)	Credit Period	Unit Price	Status and Reasons Why Trading Terms Are Different from Ordinary Trading Terms (Note 1)	Credit Period	Bills and Accounts Receivable (Payable)		Note
											Balance	Ratio of Bills and Accounts Receivable (Payable)	
Changchun Engley Automobile Industry CO.,Ltd	Changchun CECK Auto.Parts Co., Ltd.	Affiliated Enterprises	Purchase		\$ 409,447	0.03	Monthly Settlement 30-90 Days	Same		Same	\$ 64,928	0.01	
Changchun Engley Automobile Industry CO.,Ltd	Jilin Jinli Auto. Parts Co., Ltd.	Affiliated Enterprises	Purchase		124,588	0.01	Monthly Settlement 30-90 Days	Same		Same	55,145	0.01	
Changchun Engley Automobile Industry CO.,Ltd	Linde+Engley (Changchun) Auto Parts Co.,	Same Ultimate Parent Comp	(Sale)		146,038	0.01	Monthly Settlement 30-90 Days	Same		Same	43,765	0.01	Note 4
Changchun Engley Automobile Parts CO.,Ltd	Changchun Engley Automobile Industry CO.,Ltd	Same Ultimate Parent Comp	(Sale)		1,307,464	0.06	Monthly Settlement 30-90 Days	Same		Same	203,232	0.04	Note 4
Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp	(Sale)		135,584	0.01	Monthly Settlement 30-90 Days	Same		Same	90,062	0.02	Note 4
Chengdu Engley Automobile Parts CO.,Ltd	Chengdu Youli Auto part Co., Ltd.	Affiliated Enterprises	Purchase		121,263	0.01	Monthly Settlement 30-90 Days	Same		Same	57,768	0.01	
Changchun Engley Automobile Parts CO.,Ltd	Chongqing HC&C Auto Parts Co., Ltd	Affiliated Enterprises	Purchase		126,662	0.01	Monthly Settlement 30-90 Days	Same		Same	-	-	
Yizheng Engley Auto Parts Manufacturing CO LTD	Suzhou Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp	(Sale)		269,949	0.01	Monthly Settlement 30-90 Days	Same		Same	213,185	0.04	Note 4
Tianjin Engley Mold Manufacturing CO.,Ltd	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Same Ultimate Parent Comp	(Sale)		1,261,273	0.06	Monthly Settlement 30-90 Days	Same		Same	247,953	0.05	Note 4
Changchun Lightweight Technology Co., Ltd.	Changchun Engley Automobile Parts CO.,Ltd	Same Ultimate Parent Comp	(Sale)		531,102	0.03	Monthly Settlement 30-90 Days	Same		Same	262,721	0.05	Note 4
Tsingtao Engley Auto Part Co., Ltd.	Qingdao Youli Auto part Co., Ltd.	Affiliated Enterprises	Purchase		128,820	0.01	Monthly Settlement 30-90 Days	Same		Same	105,464	0.01	
Linde Engley (Tianjin) Automobile Parts CO.,Ltd	LINDE+WIEMANN GmbH KG	Affiliated Enterprises	Purchase		133,759	0.01	Monthly Settlement 30-90 Days	Same		Same	23,602	0.00	
Foshan Engley Automobile Parts CO.,Ltd	Changchun CECK Auto.Parts Co., Ltd.	Affiliated Enterprises	Purchase	\$	174,992	0.01	Monthly Settlement 30-90 Days	Same		Same	\$ 116,233	0.01	
Tsingtao Engley Auto Part Co., Ltd.	Changchun CECK Auto.Parts Co., Ltd.	Affiliated Enterprises	Purchase	\$	148,325	0.01	Monthly Settlement 30-90 Days	Same		Same	\$ 42,288	0.01	

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.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries
 Receivables from affiliates of NT\$ 100 million or more than 20% of the paid-in capital.
 December 31, 2021

Schedule VIII

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

Companies That Account for Receivables	Name of Transaction Object	Relationship	Balance of Receivables from Related Parties	Turnover Rate	<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
					Amount	Handling Method			
CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.	Kranendonk Beheersmaatschappij B.V.	Same Ultimate Parent Company	\$ 109,620	Note 4	\$ -	-		\$ -	Note 3
Changchun Engleigh Automobile Industry CO.,Ltd	Suzhou Engleigh Automobile Parts CO.,Ltd	Same Ultimate Parent Company	104,160	Note 4	-	-	104,160	-	Note 3
Changchun Engleigh Automobile Industry CO.,Ltd	Tsingtao Engleigh Auto Part Co., Ltd.	Same Ultimate Parent Company	217,000	Note 4	-	-		-	Note 3
Changchun Engleigh Automobile Parts CO.,Ltd	Changchun Engleigh Automobile Industry CO.,Ltd	Same Ultimate Parent Company	203,232	2.18	-	-	203,232	-	Note 3
Changchun Engleigh Automobile Parts CO.,Ltd	Tsingtao Engleigh Auto Part Co., Ltd.	Same Ultimate Parent Company	119,968	Note 4	-	-		-	Note 3
Changchun Engleigh Automobile Parts CO.,Ltd	Tianjin Engleigh Mold Manufacturing CO.,Ltd	Same Ultimate Parent Company	430,199	Note 4	-	-		-	Note 3
Chengdu Engleigh Automobile Parts CO.,Ltd	Suzhou Engleigh Automobile Parts CO.,Ltd	Same Ultimate Parent Company	251,720	Note 4	-	-		-	Note 3
Chengdu Engleigh Automobile Parts CO.,Ltd	Tsingtao Engleigh Auto Part Co., Ltd.	Same Ultimate Parent Company	138,880	Note 4	-	-		-	Note 3
Chengdu Engleigh Automobile Parts CO.,Ltd	Tianjin Engleigh Mold Manufacturing CO.,Ltd	Same Ultimate Parent Company	117,180	Note 4	-	-		-	Note 3
Changchun Lightweight Technology Co., Ltd.	Changchun Engleigh Automobile Parts CO.,Ltd	Same Ultimate Parent Company	262,721	1.98	-	-	149,552	-	Note 3
Tianjin Engleigh Mold Manufacturing CO.,Ltd	Linde Engleigh (Tianjin) Automobile Parts CO.,Ltd	Same Ultimate Parent Company	247,953	5.63	-	-	189,888	-	Note 3
Yizheng Engleigh Auto Parts Manufacturing CO LTD	Suzhou Engleigh Automobile Parts CO.,Ltd	Same Ultimate Parent Company	213,185	1.36	-	-	53,110	-	Note 3

Note 1: As of March 25, 2021, 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, 2021

Schedule IX

Unit: NT\$ 1,000

(unless otherwise specified)

Number (Note 1)	Transactor Name	Transacting Objects	ion with Transactor (Nc	Account	Amount	Transacting Status Transacting Condition	Ratio to Consolidated Total Revenue or Total Assets (Note 3)
0	CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.	Kranendonk Beheersmaatschappij B.V.	1	Other Receivables	\$ 109,620	-	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	1	Accounts Receivable	43,765	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	1	Sale	146,038	Handled like general customers, collect pavment 30-90 days after monthlv	0.01
1	Changchun Engley Automobile Industrv CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	1	Sale	37,336	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	1	Accounts Receivable	104,160	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	1	Other Receivables	217,000	-	0.01
1	Changchun Engley Automobile Industrv CO.,Ltd	Ningbo Engley Automobile Industry CO.,Ltd	1	Other Receivables	34,720	-	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	1	Accounts Receivable	36,091	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
1	Changchun Engley Automobile Industrv CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	1	Sale	41,555	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
2	Changchun Engley Automobile Parts CO.,Ltd	Changchun Engley Automobile Industry CO.,Ltd	2	Accounts Receivable	203,232	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	1,307,464	Handled like general customers, collect pavment 30-90 days after monthlv	0.06
2	Changchun Engley Automobile Parts CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	3	Other Receivables	119,968	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Other Receivables	94,460	-	0.00
2	Changchun Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	3	Other Receivables	430,199	-	0.01
2	Changchun Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	3	Other Receivables	51,487	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Accounts Receivable	90,062	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Sale	135,584	Handled like general customers, collect pavment 30-90 days after monthlv	0.01
3	Chengdu Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	3	Other Receivables	73,780	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Other Receivables	251,720	-	0.01
3	Chengdu Engley Automobile Parts CO.,Ltd	Taizhou Maoqi Metal Co., Ltd.	3	Other Receivables	34,720	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	3	Other Receivables	138,880	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Tianjin Engley Mold Manufacturing CO.,Ltd	3	Other Receivables	117,180	-	0.00
3	Chengdu Engley Automobile Parts CO.,Ltd	Foshan Engley Automobile Parts CO.,Ltd	3	Other Receivables	86,800	-	0.00

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, 2021

Schedule IX

Unit: NT\$ 1,000

(unless otherwise specified)

Number (Note 1)	Transactor Name	Transacting Objects	ion with Transactor (No.)	Account	Amount	Transacting Status	Ratio to Consolidated Total Revenue or Total Assets (Note 3)
4	Changchun Lightweight Technology Co., Ltd.	Changchun Engleigh Automobile Parts CO., Ltd	3	Accounts Receivable	262,721	Handled like general customers, collect payment 30-90 days after monthly	0.01
4	Changchun Lightweight Technology Co., Ltd.	Changchun Engleigh Automobile Parts CO., Ltd	3	Sale	531,102	Handled like general customers, collect payment 30-90 days after monthly	0.03

CAYMAN ENGLE Y 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, 2021

Schedule IX

Unit: NT\$ 1,000

(unless otherwise specified)

Number (Note 1)	Transactor Name	Transacting Objects	ion with Transactor (Nc	Account	Amount	Transacting Status	Ratio to Consolidated Total Revenue or Total Assets (Note 3)
						Transacting Condition	
4	Changchun Lightweight Technology Co., Ltd.	Qingdao Engley Automobile Parts CO.,Ltd	3	Sale	\$ 53,001	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	213,185	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	Sale	269,949	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	Accounts Receivable	247,953	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	1,261,273	Handled like general customers, collect pavment 30-90 days after monthlv	0.06
6	Tianjin Engley Mold Manufacturing CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Sale	37,078	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
7	Ningbo Engley Automobile Industry CO.,Ltd	Suzhou Engley Automobile Parts CO.,Ltd	3	Property, Plant and Equipment	125,971	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
8	Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Linde Engley (Changchun) Automobile Parts CO.,Ltd	3	Other Receivables	86,800	-	0.00
9	Ningbo Maoxiang Metal Co., Ltd.	Foshan Engley Automobile Parts CO.,Ltd	3	Sale	30,238	Handled like general customers, collect pavment 30-90 days after monthlv	0.00
9	Ningbo Maoxiang Metal Co., Ltd.	Taizhou Maoqi Metal Co., Ltd.	3	Other Receivables	65,100	-	0.00
10	Foshan Engley Automobile Parts CO.,Ltd	Changsha Engley Automobile Parts CO.,Ltd	3	Other Receivables	65,100	-	0.00
10	Foshan Engley Automobile Parts CO.,Ltd	Qingdao Engley Automobile Parts CO.,Ltd	3	Other Receivables	69,440	-	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:

(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 ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries
Name of investee, location and other relevant information (excluding mainland Chinese investees).
December 31, 2021

Schedule X

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 ENGLEIGH INDUSTRIAL CO., LTD.	Engleigh Automobile Industry CO.,Ltd	Taiwan	Sales of various auto parts	\$ 54,396	\$ 54,396	5,439,562	1	\$ 26,311	(\$ 21,384)	(\$ 21,384)	
CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.	Engleigh Holding (Samoa) Limited	Samoa	General Investment	250,291	279,860	-	80.00%	265,916	(37,379)	(29,903)	
CAYMAN ENGLEIGH INDUSTRIAL CO., LTD.	Engleigh Precision Industry B.V	Netherlands	General Investment	748,103	468,572	-	39.50%	241,711	(65,413)	-	Note 1
Changchun Engleigh Automobile Industry CO., Ltd	Wiser Decision Holding Company Limited	Samoa	General Investment	96,880	99,680	-	100.00%	115,283	10,719	-	Note 1
Changchun Engleigh Automobile Industry CO., Ltd	Honley Auto. Parts Co., Ltd.	Taiwan	Production of Auto Parts, Stamping Products, Hot Pressing Products	860,000	860,000	86,000	36.63%	330,726	(153,808)	-	Note 1
Engleigh Holding (Samoa) Limited	Engleigh Precision Industry B.V	Netherlands	General Investment	313,140	350,133	-	60.50%	370,216	(65,413)	-	Note 1
Engleigh Precision Industry B.V	Kranendonk Beheersmaatschappij B.V.	Netherlands	Robot Software, Hardware	518,308	579,538	-	100.00%	604,663	(60,137)	-	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.

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2021

Schedule XI

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	\$ 6,485,059	2	\$ -	\$ -	\$ -	\$ -	\$ 674,758	86.91	\$ 586,432	\$ 13,835,630	\$ -	Note6
Changchun Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	593,086	2	-	-	-	-	92,117	100.00	92,117	2,546,663	-	Note6
Suzhou Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	433,479	2	-	-	-	-	20,801	100.00	20,801	1,017,585	-	Note6
Chengdu Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	145,043	2	-	-	-	-	100,463	100.00	100,463	1,732,127	-	Note6
Yizheng Engley Auto Parts Manufacturing CO LTD	Production of Auto Parts, Stamping Products, Hot Pressing Products	217,000	2	-	-	-	-	22,141	100.00	22,141	274,391	-	Note2
Liaoning Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	273,420	2	-	-	-	-	(9,107)	100.00	(9,107)	145,978	-	Note7
Foshan Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	1,150,100	2	-	-	-	-	54,788	100.00	54,788	1,348,695	-	Note3、Note6
Tianjin Engley Mold Manufacturing CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	1,094,244	2	-	-	-	-	115,989	100.00	115,989	1,240,284	-	Note4、Note6
Changchun Lightweight Technology Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	236,877	2	-	-	-	-	104,435	100.00	104,435	507,492	-	Note7
Changsha Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	329,840	2	-	-	-	-	(56,012)	100.00	(56,012)	112,000	-	Note7
Qingdao Engley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	741,098	2	-	-	-	-	(140,490)	100.00	(140,490)	328,211	-	Note6

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2021

Schedule XI

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	260,400	2	-	-	-	-	19,966	100.00	19,966	243,470	-	Note7
Linde Engley (Changchun) Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	88,703	2	-	-	-	-	30,100	54.00	16,254	144,940	-	Note7
Linde Engley (Tianjin) Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	156,240	2	-	-	-	-	372,429	54.00	201,112	1,792,568	-	Note6
Ningbo Maoxiang Metal Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	568,935	2	-	-	-	-	255,549	51.00	130,330	529,971	-	Note6
Taizhou Maoqi Metal Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	607,600	2	-	-	-	-	19,757	51.00	10,076	296,548	-	Note7
Jilin Jinli Auto. Parts Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	86,800	2	-	-	-	-	(20,504)	23.00	(4,716)	27,195	-	Note6
Chengdu Youley Automobile Parts CO.,Ltd	Production of Auto Parts, Stamping Products, Hot Pressing Products	129,697	2	-	-	-	-	(9,954)	20.00	(1,991)	102,046	33,289	Note6
Constellium Engley (Changchun) Automotive Structures Co., Ltd.	Production of Auto Parts, Stamping Products, Hot Pressing Products	160,741	2	-	-	-	-	201,413	46.00	92,650	319,997	461,862	Note7
Zhejiang Sanse Mould Plastic Technology Co.Ltd	Production of Automotive Interior and Exterior Decoration Products	167,302	2	-	-	-	-	(40,759)	20.00	(8,152)	303,137	-	
Changchun CECK Auto.Parts Co., Ltd.	Production of Auto Parts, Mold Design and Manufacturing	753,270	2	-	-	-	-	(109,699)	40.96	(44,937)	77,426	-	

CAYMAN ENGLEY INDUSTRIAL CO., LTD. and Its Subsidiaries
Mainland China Investment Information - Basic
From January 1 to December 31, 2021

Schedule XI

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
					Remitted	Recovered							
			(Note 1)										
HC&C AUTO PARTS CO., LTD.	Production of Auto Parts, Stamping Products, Hot Pressing Products	\$ 1,180,823	2	\$ -	\$ -	\$ -	\$ -	\$ 14,468	16.32	\$ 2,361	\$ 186,850	\$ -	

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 4.31:1 as at December 31, 2019.

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.

CAYMAN ENGLEIGH INDUSTRIAL CO., LTD. and Its Subsidiaries

Information of major shareholders

December 31, 2021

Schedule XII

主要股東名稱	Share	
	Shareholding	ratio
Honghan Industrial Co., Ltd.	26,100,000	22.11%
BroadLight Consultants Ltd.	10,000,000	8.47%
Top-Gain Enterprises Ltd.	10,000,000	8.47%
Able Well International Limited	9,000,000	7.62%
Bright Success Inc.	9,000,000	7.62%
Able Gain Investment Limited	7,995,252	6.77%

開曼英利工業股份有限公司
Cayman Engley Industrial Co., Ltd.

Representative : Lin, Chi-Pin