

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

YEONG GUAN ENERGY
TECHNOLOGY GROUP CO.,
LTD. and Subsidiaries

Consolidated Financial Statements for
the Three Months Ended June 30,
2023 and 2022 and
Independent Auditors' Review Report

Notice to Readers

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

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

Address: Cricket Square, Hutchins Drive,
Po Box 2681, Grand Cayman, KY1-1111,
Cayman Islands
Telephone: 002-86-574-86228866

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

§ Table of Contents §

<u>ITEM</u>	<u>PAGE</u>	<u>FINANCIAL STATEMENT NOTE NO.</u>
1. Cover	1	-
2. Table of Contents	2	-
3. Independent Auditors' Report	3~4	-
4. Consolidated Balance Sheet	5	-
5. Consolidated Income Statement	6	-
6. Consolidated Statement of Changes in Equity	7	-
7. Consolidated Statement of Cash Flows	8-9	-
8. Consolidated Financial Statement Notes		-
(1) History of Company	10	1
(2) Date and Process for Financial Statement Approval	10	2
(3) Application of Newly Promulgated and Modified Guidelines and Explanation	10-11	3
(4) Explanation of Summarized Significant Accounting Policy	12~15	4
(5) Significant Accounting Judgment and Assessment and Major Source of Assumption Uncertainty	15	5
(6) Significant Accounting Item Explanation	16~53	6~27
(7) Related Party Transaction	53~54	28
(8) Mortgaged or Pledged Assets	54	29
(9) Significant Contingencies or Unrecognized Contractual Commitment	-	-
(10) Significant Disaster Loss	-	-
(11) Significant Subsequent Events	-	-
(12) Foreign Currency Financial Assets and Liabilities Exchange Rate Information	54-56	30
(13) Notes Disclosures		
1. Significant Transaction Related Information	56~59	31
2. Reinvestment Related Information	59	31
3. China Investment Information	59	31
(14) Segment Information	60-70	32

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

YEONG GUAN ENERGY TECHNOLOGY GROUP CO., LTD.

Opinion

We have audited the accompanying financial report of YEONG GUAN ENERGY TECHNOLOGY GROUP CO., LTD. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the six months ended June

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

30, 2023 are stated as follows:

The Occurrence of Operating Revenue

With respect to the Group's consolidated operating revenue for the six months ended June 30, 2023, revenue from renewable energy products accounted for 54.40% of annual operating revenue. The revenue from major client products of renewable energy accounted for 80.92% of the annual revenue from renewable energy. Given the fact that operating revenue amount from such clients was material, recognition of operating revenue from major clients of renewable energy category was therefore listed as a key audit matter.

With respect to this key audit matter, we hereto took the Group's occurrence of operating revenue recognition into consideration in evaluating design and execution of operating revenue related to internal control. Samples were selected from renewable energy major clients to conduct verification test on detail items for the purpose of checking transaction vouchers as well as audit process for subsequent payment collection. Meanwhile, letters were sent to such clients to verify period-end account receivable balance for the purpose of verifying that operating revenue actually occur and amount was accurate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Accounting Standards 34 "Interim Financial Reporting", and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is 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 material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

As part of an audit 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:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 an 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte and Touche

CPA Chen, Chih-Yuan

CPA Huang, Yao-Ling

Financial Supervisory Commission

Executive Yuan

Approval Document No.

Gin-Guan-Zheng-Shen-Tze

No. 1060023872

Financial Supervisory Commission

Executive Yuan

Approval Document No.

Gin-Guan-Zheng-Shen-Tze

No. 106004806

August 17, 2023

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Balance Sheets

Unit: in thousands of NTD

Code	Asset	June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash and cash equivalent(Notes 6)	\$ 2,278,800	9	\$ 2,114,380	10	\$ 2,897,052	14
1110	Financial assets at fair value through profit or loss – current(Notes 7)	150,120	1	21,512	-	223,682	1
1136	Financial assets measured based on amortized cost – current(Note 9)	40,000	-	189,132	1	208,672	1
1150	Notes receivable(Notes 22)	691,534	3	302,372	1	247,350	1
1170	Account receivables, net(Notes 10 and 22)	3,207,754	13	3,440,286	16	2,799,264	13
130X	Inventories, net(Notes 11)	2,115,472	9	1,858,470	8	1,981,140	9
1476	Other financial assets-current(Notes 16 and 29)	1,247,771	5	1,226,043	6	1,044,524	5
1479	Other current assets	661,329	3	514,377	2	519,302	3
11XX	Total Current Assets	<u>10,392,780</u>	<u>43</u>	<u>9,666,572</u>	<u>44</u>	<u>9,920,986</u>	<u>47</u>
NON-CURRENT ASSETS							
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8)	152,388	1	58,357	-	93,637	-
1600	Property, plant and equipment(Notes 13 and 29)	10,605,714	44	9,650,666	44	8,643,364	41
1755	Right of Use Assets(Notes 14 and 29)	568,535	2	540,974	3	551,987	3
1760	Investment property, net	722	-	725	-	728	-
1805	Goodwill(Notes 15)	137,559	1	138,841	1	139,058	1
1840	Deferred income tax assets(Notes 4 and 24)	83,595	-	88,258	-	112,774	-
1910	Real estate prepayments	-	-	-	-	154,949	1
1915	Equipment prepayments	2,017,407	9	1,660,088	8	1,176,265	5
1980	Other non-current financial assets (Notes 16 and 30)	44,202	-	40,266	-	335,584	2
1990	Other non-current assets	51,240	-	46,172	-	44,721	-
15XX	Total Non-Current Assets	<u>13,661,362</u>	<u>57</u>	<u>12,224,347</u>	<u>56</u>	<u>11,253,067</u>	<u>53</u>
1XXX	TOTAL ASSETS	<u>\$ 24,054,142</u>	<u>100</u>	<u>\$ 21,890,919</u>	<u>100</u>	<u>\$ 21,174,053</u>	<u>100</u>
LIABILITIES and SHAREHOLDER'S EQUITY							
CURRENT LIABILITIES							
2100	Short-term loans (Notes 17 and 30)	\$ 4,119,966	17	\$ 3,382,088	16	\$ 3,364,540	16
2120	Financial liabilities at fair value through profit or loss - current (Notes 7)	7,050	-	38,384	-	155	-
2150	Notes payable	1,245,816	5	1,349,764	6	1,878,590	9
2170	Account payables	817,066	4	945,936	4	925,063	5
2216	Dividends payables	-	-	-	-	66,371	-
2219	Other accounts payable (Notes 19)	702,142	3	850,442	4	644,943	3
2230	Current income tax liabilities (Notes 4 and 24)	39,522	-	38,298	-	12,432	-
2280	Lease liabilities - current (Notes 14)	18,119	-	15,583	-	21,182	-
2321	Current portion of bonds payable (Notes 18)	1,484,064	6	1,480,456	7	-	-
2399	Other current liabilities	25,190	-	17,159	-	20,314	-
21XX	Total Current Liabilities	<u>8,458,935</u>	<u>35</u>	<u>8,118,110</u>	<u>37</u>	<u>6,933,590</u>	<u>33</u>
NON-CURRENT LIABILITIES							
2500	Financial liabilities at fair value through profit or loss - non-current (Notes 7 and 18)	4,527	-	-	-	38,700	-
2530	Bonds payable (Notes 18)	992,540	4	-	-	1,476,794	7
2540	Long-term borrowings (Notes 17 and 29)	5,306,308	22	5,099,971	23	3,862,814	18
2570	Deferred income tax liabilities (Notes 4 and 24)	5,065	-	9,391	-	7,214	-
2580	Lease liabilities - non-current (Notes 14)	209,989	1	171,435	1	170,696	1
25XX	Total Non-Current Liabilities	<u>6,518,429</u>	<u>27</u>	<u>5,280,797</u>	<u>24</u>	<u>5,556,218</u>	<u>26</u>
2XXX	TOTAL LIABILITIES	<u>14,977,364</u>	<u>62</u>	<u>13,398,907</u>	<u>61</u>	<u>12,489,808</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY							
3110	Common stock capital	1,177,957	5	1,106,175	5	1,106,175	5
3200	Additional paid-in capital	6,473,672	27	5,980,154	27	5,980,154	28
Retained earnings							
3310	Legal reserve	576,294	2	576,294	3	576,294	3
3320	Special reserve	1,192,621	5	1,349,197	6	1,349,197	6
3350	Unappropriated retained earnings	923,000	4	544,916	2	696,849	3
3300	Total Retained Earnings	<u>2,691,915</u>	<u>11</u>	<u>2,470,407</u>	<u>11</u>	<u>2,622,340</u>	<u>12</u>
Other components of Equity							
3410	Exchange difference on translation of foreign financial statements	(1,409,439)	(6)	(1,179,659)	(5)	(1,152,343)	(5)
3420	Unrealized evaluation gains and losses of the equity instrument investment benefit measured at fair value through other comprehensive gains and losses	(26,090)	(-)	(13,126)	(-)	5,013	-
3400	Total Other Components of Equity	<u>(1,435,529)</u>	<u>(6)</u>	<u>(1,192,785)</u>	<u>(5)</u>	<u>(1,147,330)</u>	<u>(5)</u>
31XX	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>8,908,015</u>	<u>37</u>	<u>8,363,951</u>	<u>38</u>	<u>8,561,339</u>	<u>40</u>
36XX	Non-controlling interests	<u>168,763</u>	<u>1</u>	<u>128,061</u>	<u>1</u>	<u>122,906</u>	<u>1</u>
3XXX	TOTAL EQUITY	<u>9,076,778</u>	<u>38</u>	<u>8,492,012</u>	<u>39</u>	<u>8,684,245</u>	<u>41</u>
TOTAL LIABILITIS and EQUITY							
		<u>\$ 24,054,142</u>	<u>100</u>	<u>\$ 21,890,919</u>	<u>100</u>	<u>\$ 21,174,053</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statement.

Chairman: Chang, Hsien-Ming

General Manager: Hsu, Ching-Hsiung

Chief Accountant: Tsai, Ching-Wu

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries

Consolidated Income Statement

(Reviewed, Not Audited)

Unit: in thousands of NTD,
Except Earnings Per Share

Code		For the three months ended June 30, 2023		For the three months ended June 30, 2022		For the six months ended June 30, 2023		For the six months ended June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 22)	\$ 2,342,407	100	\$ 2,330,418	100	\$ 4,560,083	100	\$ 4,143,517	100
5000	OPERATING COSTS (Notes 11 and 23)	<u>1,888,770</u>	<u>81</u>	<u>2,023,865</u>	<u>87</u>	<u>3,682,839</u>	<u>81</u>	<u>3,641,219</u>	<u>88</u>
5900	GROSS PROFIT	<u>453,637</u>	<u>19</u>	<u>306,553</u>	<u>13</u>	<u>877,244</u>	<u>19</u>	<u>502,298</u>	<u>12</u>
	OPERATING EXPENSES (Notes 10 and 23)								
6100	Marketing expenses	86,985	4	98,518	4	183,105	4	187,574	4
6200	General and administrative expenses	175,613	7	140,694	6	316,381	7	284,958	7
6300	Research and development expenses	90,946	4	84,778	4	167,309	4	154,836	4
6450	Expected credit loss (gain)	(<u>4,777</u>)	<u>-</u>	(<u>622</u>)	<u>-</u>	<u>3,647</u>	<u>-</u>	<u>10,197</u>	<u>-</u>
6000	Total operating expenses	<u>348,767</u>	<u>15</u>	<u>323,368</u>	<u>14</u>	<u>670,442</u>	<u>15</u>	<u>637,565</u>	<u>15</u>
6900	PROFIT (LOSS) FROM OPERATIONS	<u>104,870</u>	<u>4</u>	(<u>16,815</u>)	(<u>1</u>)	<u>206,802</u>	<u>4</u>	(<u>135,267</u>)	(<u>3</u>)
	NON-OPERATING INCOME AND EXPENSES								
7100	Interest income (Notes 23)	9,174	-	8,086	-	16,621	-	18,367	-
7190	Other income and loss (Notes 23 and 28)	12,788	1	1,833	-	8,569	-	4,021	-
7235	Financial product net (loss) profit at fair value through profit and loss (Notes 7 and 18)	7,182	-	(8,680)	-	38,926	1	(13,480)	-
7630	Foreign currency exchange net loss (Notes 30)	25,628	1	(44,411)	(2)	39,846	1	(128,219)	(3)
7510	Finance costs (Notes 18 and 23)	(<u>49,764</u>)	(<u>2</u>)	(<u>27,471</u>)	(<u>1</u>)	(<u>106,688</u>)	(<u>2</u>)	(<u>49,457</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>5,008</u>	<u>-</u>	(<u>70,643</u>)	(<u>3</u>)	(<u>5,726</u>)	<u>-</u>	(<u>168,768</u>)	(<u>4</u>)
7900	PROFIT (LOSS) BEFORE INCOME TAX	109,878	4	(87,458)	(4)	201,076	<u>4</u>	(304,035)	(7)
7950	INCOME TAX EXPENSE(BENEFIT) (Notes 4 and 24)	<u>29,827</u>	<u>1</u>	<u>3,999</u>	<u>-</u>	<u>51,980</u>	<u>1</u>	(<u>16,140</u>)	<u>-</u>
8200	NET PROFIT(LOSS) FOR THE PERIOD	<u>80,051</u>	<u>3</u>	(<u>91,457</u>)	(<u>4</u>)	<u>149,096</u>	<u>3</u>	(<u>287,895</u>)	(<u>7</u>)
	OTHER COMPREHENSIVE INCOME(LOSS)								
	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized gain on financial assets at fair value through other comprehensive income	58,286	3	421	-	58,286	1	421	-
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences arising on translation of foreign operations	(<u>272,858</u>)	(<u>12</u>)	(<u>191,722</u>)	(<u>8</u>)	(<u>232,551</u>)	(<u>5</u>)	<u>203,475</u>	5
8300	OTHER COMPREHENSIVE INCOME	(<u>214,572</u>)	(<u>9</u>)	(<u>191,301</u>)	(<u>8</u>)	(<u>174,265</u>)	(<u>4</u>)	<u>203,896</u>	5
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(<u>\$ 134,521</u>)	(<u>6</u>)	(<u>\$ 282,758</u>)	(<u>12</u>)	(<u>\$ 25,169</u>)	(<u>1</u>)	(<u>\$ 83,999</u>)	(<u>2</u>)
	NET PROFIT(LOSS) ATTRIBUTABLE TO:								
8610	Shareholders of the parent	\$ <u>81,179</u>	3	(<u>\$ 89,982</u>)	(<u>4</u>)	\$ <u>150,258</u>	3	(<u>\$ 283,602</u>)	(<u>7</u>)
8620	Non-controlling interests	(<u>1,128</u>)	<u>-</u>	(<u>1,475</u>)	<u>-</u>	(<u>1,162</u>)	<u>-</u>	(<u>4,293</u>)	<u>-</u>
8600		\$ <u>80,051</u>	<u>3</u>	(<u>\$ 91,457</u>)	(<u>4</u>)	\$ <u>149,096</u>	<u>3</u>	(<u>\$ 287,895</u>)	(<u>7</u>)
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
8710	Shareholders of the parent	(<u>\$ 130,328</u>)	(<u>6</u>)	(<u>\$ 278,662</u>)	(<u>12</u>)	(<u>\$ 21,236</u>)	(<u>1</u>)	(<u>\$ 81,560</u>)	(<u>2</u>)
8720	Non-controlling interests	(<u>4,193</u>)	<u>-</u>	(<u>4,096</u>)	<u>-</u>	(<u>3,933</u>)	<u>-</u>	(<u>2,439</u>)	<u>-</u>
8700		(<u>\$ 134,521</u>)	(<u>6</u>)	(<u>\$ 282,758</u>)	(<u>12</u>)	(<u>\$ 25,169</u>)	(<u>1</u>)	(<u>\$ 83,999</u>)	(<u>2</u>)
	(LOSS) EARNINGS PER SHARE (Note 25)								
9750	Basic	\$ <u>0.73</u>		(<u>\$ 0.81</u>)		\$ <u>1.35</u>		(<u>\$ 2.56</u>)	
9850	Diluted	\$ <u>0.60</u>		(<u>\$ 0.81</u>)		\$ <u>0.94</u>		(<u>\$ 2.56</u>)	

The accompanying notes are an integral part of the consolidated financial statement.

Chairman: Chang, Hsien-Ming

General Manager: Hsu, Ching-Hsiung

Chief Accountant: Tsai, Ching-Wu

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For periods from January 1 to June 30 of 2023 and 2022
(Reviewed, Not Audited)

Unit: in thousands of NTD

		Capital Surplus							Retained Earnings				Other Equity			Non-Controlling Interests		Total Equity
		Common Stock	Additional Paid-In Capital	Stock Option	Invalid Stock Option	Treasury Stock Transaction	Others	Total	Legal Reserve	Special Reserve	Retained Earnings	Total	Exchange Differences on Translation of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	(Notes 21 and 26)	Total Equity
A1	BALANCE AT JANUARY 1, 2022	\$1,106,175	\$5,722,508	\$ 80,098	\$ 148,875	\$ 28,673	\$ -	\$ 5,980,154	\$ 554,684	\$ 1,394,590	\$ 1,023,039	\$ 2,972,313	(\$1,353,964)	\$ 4,592	(\$1,349,372)	\$ 8,709,270	\$ 125,345	\$ 8,834,615
	Appropriation and distribution of 2020 earnings:																	
B1	Legal reserve	-	-	-	-	-	-	-	21,610	(21,610)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	(45,393)	45,393	-	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	-	-	(66,371)	(66,371)	(66,371)	-	-	(66,371)	-	-	(66,371)
	Subtotal	-	-	-	-	-	-	-	21,610	(45,393)	(42,588)	(66,371)	-	-	(66,371)	-	-	(66,371)
D1	Net income for the 3 months ended June 30, 2022	-	-	-	-	-	-	-	-	(283,602)	(283,602)	-	-	-	(283,602)	(4,293)	(287,895)	
D3	Other comprehensive income for the 6 months ended June 30, 2022, net of income tax	-	-	-	-	-	-	-	-	-	-	201,621	421	202,042	202,042	1,854	203,896	
D5	Total comprehensive income for the 6 months ended June 30, 2022	-	-	-	-	-	-	-	-	(283,602)	(283,602)	201,621	421	202,042	(81,560)	(2,439)	(83,999)	
Z1	BALANCE AT JUNE 30, 2022	\$ 1,106,175	\$ 5,722,508	\$ 80,098	\$ 148,875	\$ 28,673	\$ -	\$ 5,980,154	\$ 576,294	\$ 1,349,197	\$ 696,849	\$ 2,622,340	(\$ 1,152,343)	\$ 5,013	(\$ 1,147,330)	\$ 8,561,339	\$ 122,906	\$ 8,684,245
A1	BALANCE AT JANUARY 1, 2023	\$ 1,106,175	\$ 5,722,508	\$ 80,098	\$ 148,875	\$ 28,673	\$ -	\$ 5,980,154	\$ 576,294	\$ 1,349,197	\$ 544,916	\$ 2,470,407	(\$ 1,179,659)	(\$ 13,126)	(\$ 1,192,785)	\$ 8,363,951	\$ 128,061	\$ 8,492,012
B3	Special reserve reversed	-	-	-	-	-	-	-	(156,576)	156,576	-	-	-	-	-	-	-	-
C5	Share-based payment transaction	-	-	141,750	-	-	-	141,750	-	-	-	-	-	-	-	141,750	-	141,750
C17	Other change in capital reserve	-	-	-	-	-	5	5	-	-	-	-	-	-	-	5	-	5
D1	Net income for the 6 months ended June 30, 2023	-	-	-	-	-	-	-	-	-	150,258	150,258	-	-	-	150,258	(1,162)	149,096
D3	Other comprehensive income for the three months ended June 30, 2023	-	-	-	-	-	-	-	-	-	-	(229,780)	58,286	(171,494)	(171,494)	(2,771)	(174,265)	
D5	Total other comprehensive income for the three months ended June 30, 2023	-	-	-	-	-	-	-	-	-	150,258	150,258	(229,780)	58,286	(171,494)	(21,236)	(3,933)	(25,169)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	71,250	71,250	-	(71,250)	(71,250)	-	-	-
C5	Convertible bonds converted to ordinary shares	71,782	394,023	(156,576)	-	-	-	351,763	-	-	-	-	-	-	-	423,545	-	423,545
O3	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,635	44,635
Z1	BALANCE AT JUNE 30, 2023	\$ 1,177,957	\$ 6,116,531	\$ 179,588	\$ 148,875	\$ 28,673	\$ 5	\$ 6,473,672	\$ 576,294	\$ 1,192,621	\$ 923,000	\$ 2,691,915	(\$ 1,409,439)	(\$ 26,090)	(\$ 1,435,529)	\$ 8,908,015	\$ 168,763	\$ 9,067,778

The accompanying notes are an integral part of the consolidated financial statement.

Chairman: Chang, Hsien-Ming General Manager: Hsu, Ching-Hsiung Chief Accountant: Tsai, Ching-Wu

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
For periods from January 1 to June 30 of 2023 and 2022
(Reviewed, Not Audited)

Unit: in thousands of NTD

Code		For the six months ended June 30, 2023	For the six months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
A10000	Income (Loss) before income tax	\$ 201,076	(\$ 304,035)
A20010	Adjustments for:		
A20100	Depreciation expense	244,328	265,061
A20200	Amortization expense	3,754	4,637
A20300	Expected credit loss recognized	3,647	10,197
A20400	Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(38,926)	14,041
A20900	Finance costs	109,688	49,457
A21200	Interest income	(16,621)	(18,367)
A22500	Loss (gain) on disposal of property, plant and equipment	7,163	320
A23800	Recognition (reversal) of write-down of inventories	(2,073)	54,915
A24100	Net loss on foreign currency exchange	25,098	47,997
A30000	Net change on operating assets and liabilities		
A31130	Notes receivable	(404,820)	194,250
A31150	Account receivables	157,672	58,967
A31200	Inventories	(304,749)	(341,601)
A31240	Other current assets	(164,899)	(91,906)
A31990	Other non-current assets	(17,713)	-
A32110	Financial instrument at fair value through profit and loss	5,636	-
A32130	Notes payable	(74,091)	209,512
A32150	Account payables	(109,181)	122,299
A32180	Other payables	(133,724)	(50,523)
A32230	Other current liabilities	8,614	7,857
A32990	Other financial assets	(56,354)	(77,252)
A33000	Cash generated from operations	(550,475)	155,826
A33300	Interest paid	(144,106)	(51,932)
A33500	Income tax paid	(51,351)	(85,531)
AAAA	Net cash generated from operating activities	(745,932)	18,363

(to be continued)

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(brought forward)

Code		For the six months ended June 30, 2023	For the six months ended June 30, 2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive income	(\$ 137,560)	(\$ 16,310)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	99,750	-
B00050	Proceeds from disposal of financial assets at amortized cost	147,875	96,472
B00100	Purchase of financial asset at fair value through profit or loss	(142,422)	-
B00200	Proceeds from disposal of financial asset at fair value through profit or loss	-	355,949
B02700	Purchase of property, plant and equipment	(1,183,262)	(1,535,407)
B02800	Disposal of property, plant and equipment	8,202	1,250
B04500	Payment for intangible assets	-	(5,070)
B06700	(Increase) decrease in other non-current assets	1,812	(12)
B07100	Increase in equipment prepayments	(417,718)	(472,475)
B07300	Increase in real estate prepayments	-	(13,693)
B07500	Interests collected	<u>16,458</u>	<u>19,033</u>
BBBB	Net cash generated used in investing activities	<u>(1,606,865)</u>	<u>(1,570,263)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short term loan	810,971	1,486,408
C01200	Issuance of bonds	1,557,690	-
C01600	Proceeds from long term loan	198,803	917,181
C04020	Payments of lease liabilities	(14,733)	(18,153)
C05800	Changes in non-controlling interests	44,635	-
C09900	Return of unclaimed dividends	<u>5</u>	<u>-</u>
CCCC	Net cash generated from financing activities	<u>2,597,371</u>	<u>2,385,436</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(80,154)</u>	<u>69,743</u>
EEEE	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	164,420	903,279
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,114,380</u>	<u>1,993,773</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF JUNE 30, 2023	<u>\$ 2,278,800</u>	<u>\$ 2,897,052</u>

The accompanying notes are an integral part of the consolidated financial statement.

Chairman: Chang, Hsien-Ming General Manager: Hsu, Ching-Hsiung Chief Accountant: Tsai, Ching-Wu

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
for periods from January 1 to June 30 of 2023 and 2022
(Unless otherwise specified, all amounts are in thousands of NTD.)

1. GENERAL

Yeong Guan Energy Technology Group Co., Ltd. (hereinafter referred to as the “Company”) was established on January 22, 2008 in British Cayman Islands under the main purpose of organization restructuring. According to the Company’s equity swap agreement, organization restructuring was completed on September 22, 2008. The Company has become an investment holding company after the restructuring.

The Company’s stocks were listed and traded in Taiwan Stock Exchange starting April 27, 2012.

Consolidated financial statements hereto are presented in the Company’s functional currency of NTD.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on May 5, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

A. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Group’s accounting policies.

B. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

C. The IFRSs issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 -Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continually assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is completed

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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, and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(3) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 6 and Table 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

(4) Other significant accounting policies

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

6. Cash and Cash Equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2021</u>
Cash On Hand	\$ 690	\$ 838	\$ 980
Checking Accounts and Demand			
Deposit	1,500,493	1,857,239	2,484,182
Cash Equivalents			
Time Deposits with Original			
Maturities within 3 months	<u>777,617</u>	<u>256,303</u>	<u>411,890</u>
	<u>\$ 2,278,800</u>	<u>\$ 2,114,380</u>	<u>\$2,897,052</u>

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period were as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank Deposit	0.0001%~3.85%	0.0001%~3.85%	0.0001%~3.85%

7. Financial Instruments at Fair Value through Profit or Loss

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets at FVTPL- current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
- Foreign exchange forward contracts	\$ 11,542	\$ 11,035	\$ -
- interest rate swap	-	-	64
Non-derivative financial assets			
- Financial product	<u>138,578</u>	<u>10,477</u>	<u>223,618</u>
	<u>\$ 150,120</u>	<u>\$ 21,512</u>	<u>\$ 223,682</u>
<u>Financial liabilities at FVTPL - current</u>			

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
– Foreign exchange forward contracts	\$ -	\$ 2,684	\$ 155
– Domestic Third Convertible Bond (Note18)	\$ 7,050	\$ 35,700	\$ -
	<u>\$ 7,050</u>	<u>\$ 38,384</u>	<u>\$ 155</u>
<u>Financial liabilities at FVTPL - non- current</u>			
Derivative financial assets (not under hedge accounting)			
– Domestic Third Convertible Bond (Note18)	\$ -	\$ -	\$ 38,700
– Domestic Forth Convertible Bond (Note18)	\$ 4,527	\$ -	\$ -
	<u>\$ 4,527</u>	<u>\$ -</u>	<u>\$ 38,700</u>

At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

June 30, 2022

Contract Amount (i n t h o u s a n d s)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD 2,000/RMB 13,280	2022.11.04	1.49%	-

At the end of the reporting period, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

June 30, 2023

	Currency	Maturity Date	Contract Amount (in thousands)
Buy Swap	EUR/RMB	2023.08.21	EUR 5,000/RMB 36,709

December 31, 2022

	Currency	Maturity Date	Contract Amount (in thousands)
Buy Swap	EUR/JPY	2023.01.19	EUR 1,000/JPY 138,100
	USD/RMB	2023.01.17-2023.04.13	USD 4,500/RMB 31,127
	EUR/RMB	2023.05.22-2023.08.21	EUR 8,000/RMB 57,889

June 30, 2022

	Currency	Maturity Date	Contract Amount (in thousands)
Buy Swap	USD/RMB	2022.11.10	USD 1,000/RMB 6,728

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares	<u>\$ 16,637</u>	<u>\$ 47,360</u>	<u>\$ 65,668</u>
Foreign investments			
Unlisted shares	<u>\$ 135,751</u>	<u>\$ 10,997</u>	<u>\$ 27,969</u>

The Company invested in Formosa 4 International Investment Co., Ltd., Formosa 5 International Investment Co., Ltd., Asia Renewable Energy (Cayman) Ltd., KOP Investment Limited Company and Jiuquan One heavy wind power Group Co., LTD common stocks and expect to make profits from long-term investments. The management of the Company considered that the inclusion of short-term fluctuations in the fair value of these investments in profit and loss is inconsistent with the long-term investment plan described above, and therefore chose to designate these investments as being measured at fair value through other comprehensive income.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

9. Financial Assets Measured at Amortized Cost

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Time deposits with original maturity of more than 3 months	\$ <u>40,000</u>	\$ <u>189,132</u>	\$ <u>208,672</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were from 1.1%, 0.55% to 4.2% and 0.45% to 2.3% as of June 30, 2023, December 31, 2022 and June 30, 2022.

10. Account Receivables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Account Receivables</u>			
At amortized cost			
Gross carrying amount	\$3,242,905	\$3,472,329	\$2,842,619
Less: Allowance for impairment loss	(<u>35,151</u>)	(<u>32,043</u>)	(<u>43,355</u>)
	<u>\$ 3,207,754</u>	<u>\$3,440,286</u>	<u>\$ 2,799,264</u>

At amortized cost

The average credit period of sales of goods was 90 days. No interest was charged on trade receivables. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2023

	Non-Default	Default 1~90 Days	Default 91~180 Days	Default Exceeding 181Days	Total
Expected credit loss rate	0.03%	1.05%	15.58%	100%	-
Gross carrying amount	\$ 2,806,019	\$ 388,946	\$ 20,892	\$ 27,048	\$ 3,242,905
Loss allowance (Lifetime ECL)	(<u>749</u>)	(<u>4,098</u>)	(<u>3,256</u>)	(<u>27,048</u>)	(<u>35,151</u>)
Amortized Costs	<u>\$ 2,805,270</u>	<u>\$ 384,848</u>	<u>\$ 17,636</u>	<u>\$ -</u>	<u>\$ 3,207,754</u>

December 31, 2022

	Non-Default	Default 1~90 Days	Default 91~180 Days	Default Exceeding 181Days	Total
Expected credit loss rate	0.05%	1.41%	7.38%	100%	-
Gross carrying amount	\$ 3,082,845	\$ 351,592	\$ 13,287	\$ 24,605	\$ 3,472,329
Loss allowance (Lifetime ECL)	(<u>1,490</u>)	(<u>4,967</u>)	(<u>981</u>)	(<u>24,605</u>)	(<u>32,043</u>)
Amortized Costs	<u>\$ 3,081,355</u>	<u>\$ 346,625</u>	<u>\$ 12,306</u>	<u>\$ -</u>	<u>\$ 3,440,286</u>

June 30, 2022

	Non-Default	Default 1~90 Days	Default 91~180 Days	Default Exceeding 181Days	Total
Expected credit loss rate	0.06%	0.85%	2.75%	100%	-
Gross carrying amount	\$ 2,677,464	\$ 114,582	\$ 9,991	\$ 40,582	\$ 2,842,619
Loss allowance (Lifetime ECL)	(<u>1,529</u>)	(<u>969</u>)	(<u>275</u>)	(<u>40,582</u>)	(<u>43,355</u>)
Amortized Costs	<u>\$ 2,675,935</u>	<u>\$ 113,613</u>	<u>\$ 9,716</u>	<u>\$ -</u>	<u>\$ 2,799,264</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The movements of the loss allowance of account receivables were as follows:

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Balance at January 1	\$ 32,043	\$ 32,758
Add: Net remeasurement of loss allowance	3,647	10,197
Foreign exchange gains and losses	(539)	400
Balance at June 30	<u>\$ 35,151</u>	<u>\$ 43,355</u>

11. Inventories

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	\$ 588,947	\$ 539,127	\$ 732,274
Work in progress	825,832	847,185	763,333
Raw materials	<u>700,693</u>	<u>472,158</u>	<u>485,533</u>
	<u>\$ 2,115,472</u>	<u>\$ 1,858,470</u>	<u>\$ 1,981,140</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2023 and 2022 was \$1,888,770 thousand and \$2,023,865 thousand, respectively, and the cost of inventories recognized as cost of goods sold for the six months ended June 30, 2023 and 2022 was \$3,682,839 thousand and \$3,641,219 thousand, respectively.

12. Subsidiaries

Subsidiaries included in this consolidated financial statement

<u>Investor</u>	<u>Investee</u>	<u>Nature of Business</u>	Shareholding percentage		
			2023 June 30	2022 December 31	2022 June 30
Yeong Guan Energy Technology Group Co., Ltd.(Company)	Yeong Guan Holding Co., Ltd. (YGV)	Investment	100	100	100
	Yeong Guan Heavy Industry (Thailand) Co., Ltd. (YGZ)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	75	75	75
YGV	Yeong Guan International Co., Ltd. (YGI)	Investment	100	100	100
	Yeong Chen Asia Pacific Co., Ltd. (YGA)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	100	100	100
YGI	Ningbo Yeong Shang Casting Iron Co., Ltd.		100	100	100

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Investor	Investee (YGS)	Nature of Business	2022		
			2023 June 30	December 31	2022 June 30
		Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron			
	Ningbo Lu Lin Machine Tool Foundry Co., Ltd. (YGL)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	100	100	100
	Dongguan Yeong Guan Mould Factory Co., Ltd. (YGD)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	100	100	100
	Jiangsu Bright Steel Fine Machinery Co., Ltd. (YGB)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	80	80	80
	Ningbo Yeong Chia Mei Trade Co., Ltd. (YGM)	Transaction of various steel castings and casting molds as well as related import/export businesses	100	100	100
	Shanghai No. 1 Machine Tool Foundry (Su zhou) Co., Ltd.(YGW)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	37.04	37.04	37.04
YGS	Jiangsu Bright Steel Fine Machinery Co., Ltd. (YGB)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	20	20	20
YGD	Shanghai No. 1 Machine Tool Foundry (Su zhou) Co., Ltd. (YGW)	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	58.06	58.06	58.06

13. Property, Plant and Equipment

Assets used by the Group

	Self-Owned Land	Building	Machine Equipment	Transportation Equipment	Other Equipment	Work-in-Progress Property	Total
<u>Cost</u>							
Balance at January 1, 2023	718,061	\$3,792,427	\$4,937,352	\$ 68,787	\$ 605,938	\$5,282,893	\$ 15,405,458
Additions	20,722	21,181	13,367	2,066	10,957	1,131,257	1,178,828
Disposals	-	(7,087)	(62,970)	(3,343)	(35,260)	-	(108,660)
Reclassification	-	2,121	184,280	5,220	10,147	(136,119)	65,649
Capitalized interest	-	-	-	-	-	48,455	48,455
Effect of foreign currency exchange differences	(6,129)	(85,521)	(85,650)	(1,398)	(13,451)	(6,620)	(198,769)
Balance at June 30, 2023	<u>\$ 711,932</u>	<u>\$3,723,121</u>	<u>\$4,986,379</u>	<u>\$ 71,332</u>	<u>\$ 578,331</u>	<u>\$6,319,866</u>	<u>\$ 16,390,961</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance at January 1, 2023	\$ -	\$1,840,329	\$3,344,717	\$ 48,461	\$ 521,285	\$ -	\$ 5,754,792
Disposals	-	(7,087)	(51,500)	(3,008)	(31,700)	-	(93,295)
Depreciation Expenses	-	89,513	120,519	3,097	12,285	-	225,414
Reclassification	-	-	-	2,661	-	-	2,661
Effect of foreign currency exchange differences	-	(44,030)	(47,732)	(1,013)	(11,550)	-	(104,325)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$1,878,725</u>	<u>\$3,366,004</u>	<u>\$ 50,198</u>	<u>\$ 490,320</u>	<u>\$ -</u>	<u>\$ 5,785,247</u>
Carrying amount at December 31, 2022	<u>\$ 718,061</u>	<u>\$1,952,098</u>	<u>\$1,592,635</u>	<u>\$ 20,326</u>	<u>\$84,653</u>	<u>\$5,282,893</u>	<u>\$ 9,650,666</u>
Carrying amount at June 30, 2023	<u>\$ 711,932</u>	<u>\$1,844,396</u>	<u>\$1,620,375</u>	<u>\$ 21,134</u>	<u>\$88,011</u>	<u>\$6,319,866</u>	<u>\$ 10,605,714</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

	Self-Owned Land	Buildings	Machine Equipment	Transportation Equipment	Other Equipment	Work-in- Progress Property	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 572,394	\$ 3,656,978	\$ 4,914,299	\$ 67,664	\$ 598,329	\$ 2,635,062	\$12,444,726
Additions	20,722	6,045	25,578	597	3,452	1,469,066	1,525,460
Disposals	-	(193)	(2,006)	(2,244)	(9,884)	-	(14,327)
Reclassification	-	-	24,976	1,195	2,324	(5,701)	22,794
Capitalized interest	-	-	-	-	-	11,000	11,000
Effect of foreign currency exchange differences	5,448	73,911	98,393	1,155	11,980	3,465	194,352
Balance at June 30, 2022	<u>\$ 598,564</u>	<u>\$ 3,736,741</u>	<u>\$ 5,061,240</u>	<u>\$ 68,367</u>	<u>\$ 606,201</u>	<u>\$ 4,112,892</u>	<u>\$14,184,005</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance at January 1, 2022	\$ -	\$ 1,653,846	\$ 3,013,931	\$ 46,786	\$ 490,861	\$ -	\$ 5,205,424
Disposals	-	(139)	(1,703)	(2,019)	(8,896)	-	(12,757)
Depreciation Expense	-	91,443	130,894	2,733	18,148	-	243,218
Effect of foreign currency exchange differences	-	33,703	60,326	822	9,905	-	104,756
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 1,778,853</u>	<u>\$ 3,203,448</u>	<u>\$ 48,322</u>	<u>\$ 510,018</u>	<u>\$ -</u>	<u>\$ 5,540,641</u>
Carrying amount at June 30, 2022	<u>\$ 598,564</u>	<u>\$ 1,957,888</u>	<u>\$ 1,857,792</u>	<u>\$ 20,045</u>	<u>\$ 96,183</u>	<u>\$ 4,112,892</u>	<u>\$ 8,643,364</u>

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Building	5 to 35 years
Machine Equipment	3 to 10 years
Transportation Equipment	5 to 20 years
Other Equipment	3 to 10 years

Major components for the Group's building include factory main building and power generating equipment. Depreciation for them is recognized based on service life of 20 years, 35 years and 5 years respectively.

Refer to Note 29 for the carrying amount of property, plant and equipment pledged by the Group to secure bank loans.

14. Lease Arrangements

(1) Right-of-Use Assets

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amount			
Land	\$514,185	\$533,918	\$539,891
Buildings	52,732	5,116	10,456
Machine Equipment	-	-	90
Transportation Equipment	<u>1,618</u>	<u>1,940</u>	<u>1,550</u>
	<u>\$568,535</u>	<u>\$540,974</u>	<u>\$551,987</u>

Refer to Note 29 for the carrying amount of right-of-use assets pledged by the Group to secure bank loans.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Depreciation of right-of-use assets				
Land	\$ 5,857	\$ 5,776	\$ 11,631	\$ 11,388
Buildings	4,335	2,686	6,994	5,335
Machine Equipment	-	270	-	539
Transportation Equipment	123	862	286	4,578
	<u>\$ 10,315</u>	<u>\$ 9,594</u>	<u>\$ 18,911</u>	<u>\$ 21,840</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2023 and 2022.

(2) Lease Liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carry amount			
Current	<u>\$ 18,119</u>	<u>\$ 15,583</u>	<u>\$ 21,182</u>
Non-current	<u>\$209,989</u>	<u>\$171,435</u>	<u>\$170,696</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Land	2%~2.1%	2%~2.1%	2%~2.1%
Buildings	1.92%~3.45%	1.92%~4.37%	1.92%~4.37%
Machine Equipment	-	-	4.35%
Transportation Equipment	2.5%~5%	2.27%~5%	2.27%

(3) Material leasing activities and terms

To meet with demands from related businesses of wind-power turbine industry, the Group leased roughly 20.6 hectares of land in Taichung Port Industrial Zone from Port of Taichung, Taiwan International Ports Corporation Limited, with a lease term of 20 years. The Group itself invests in the conducting of planning, design and construction of related facilities. Ownership of such facilities belong to the Group.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

However, establishment of superficies is not permitted and transfer of such facilities shall obtain consent from the Port of Taichung, Taiwan International Ports Corporation Limited. Without consent from the Port of Taichung, Taiwan International Ports Corporation Limited, the Group shall not request to withdraw from the lease prior to expiration under any reasons. In the event that the Group intends to continue the lease upon expiration of lease term, the Group shall apply for renewal of the lease, in writing, from the Port of Taichung, Taiwan International Ports Corporation Limited 6 months prior to expiration of the lease. In the event that the Port of Taichung, Taiwan International Ports Corporation Limited still intends to lease the land, renewal terms shall therefore be negotiated by both parties and shall be under the premises of non-violation of laws and regulations at the time of renewal.

(4) Other Lease Information

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Expenses relating to short-term leases	<u>\$8,073</u>	<u>\$4,898</u>	<u>\$12,673</u>	<u>\$ 7,767</u>
Expenses relating to low-value asset leases	<u>\$ 320</u>	<u>\$ 148</u>	<u>\$ 1,733</u>	<u>\$ 393</u>
Total cash outflow for leases			<u>(\$31,705)</u>	<u>(\$ 28,584)</u>

The Group selects transportation equipment, which meet with short-term lease, and certain office equipment leases, which meet with low-value asset lease, for application of recognition exemption. Related right-of-use asset or lease liabilities will not be recognized upon such leases.

15. Goodwill

The goodwill of the Group has not been significantly increased, disposed of or impaired from the six months ended June 30, 2023 and 2022.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

16. Other Financial Assets

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u> (Note 29)			
Pledged bank acceptance	\$1,125,222	\$ 990,029	\$ 808,014
Bank acceptance deposits	33,668	114,136	163,853
Restricted time deposits	49,279	46,821	46,811
Quality guarantee deposits	<u>39,602</u>	<u>75,057</u>	<u>25,846</u>
	<u>\$1,247,771</u>	<u>\$1,226,043</u>	<u>\$1,044,524</u>

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u> (Note 29)			
Quality guarantee deposits(under other non-current assets)	\$ 44,202	\$ 40,266	\$ 39,510
Restricted time deposits	<u>-</u>	<u>-</u>	<u>296,074</u>
	<u>\$ 44,202</u>	<u>\$ 40,266</u>	<u>\$ 335,584</u>

17. Loans

(1) Short Term Loans

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secured Loans</u> (Note 30)			
Bank Loans	<u>\$ 1,030,314</u>	<u>\$ 959,530</u>	<u>\$ 615,893</u>
<u>Unsecured Loans</u>			
Line of Credit Loans	2,589,652	2,272,558	2,519,576
Letter of credit	-	-	229,071
Syndicated loan	<u>500,000</u>	<u>150,000</u>	<u>-</u>
	<u>3,089,652</u>	<u>2,422,558</u>	<u>2,748,647</u>
	<u>\$ 4,119,966</u>	<u>\$ 3,382,088</u>	<u>\$ 3,364,540</u>
Interest Rate	1.65%-4.60%	1.24%-5.8%	0.7%-3.90%

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(2) Long Term Loans

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secure Loans</u> (Note 30)			
Bank Loans	\$ 58,698	\$ -	\$ 1,479,951
Syndicated loan	4,195,485	2,877,486	-
Minus: Syndicated loan fee	(12,193)	(13,935)	-
	<u>4,241,990</u>	<u>2,863,551</u>	<u>1,479,951</u>
<u>Unsecure Loans</u>			
Bank Loans	42,665	-	-
Syndicated loan	1,027,940	2,243,606	2,395,773
Minus: Syndicated loan fee	(6,287)	(7,186)	(12,910)
	<u>1,064,318</u>	<u>2,236,420</u>	<u>2,382,863</u>
	<u>\$ 5,306,308</u>	<u>\$ 5,099,971</u>	<u>\$ 3,862,814</u>
Interest Rate	2.265%-6.18%	1.83%-5.20%	1.74%-2.00%

On October 25, 2022, the Group entered a syndicated loan agreement of credit extension total amount of NT\$3.66 billion with seven financial institutes including the Land Bank of Taiwan. Specifically, (1) A credit extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to build PPE (includes repaying the balance of the Land Bank of Taiwan 's loan to build the plant in 2021), mid-term loan. Multiple drawdowns are available. However, revolving credit is not allowed. (2) B Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to build PPE, mid-term secured loan, credit line is NTD36.6 million dollars. Multiple drawdowns are unavailable and revolving credit is not allowed. The A credit period shall be from the date of first use to the date of expiration of 2 years. The B credit period shall be from the date of first use to the date of expiration of 6 years. However, it shall not exceed 7 years from the date when the credit plan is first used. The Borrower shall fully pay the outstanding balance, interest payable, related fees and all other payables for each of the credit facilities at the expiration of the term of each facility.

On January 4, 2022, the Group entered a syndicated loan agreement of credit extension total amount of USD\$0.13 billion and NTD 2.145 billion with ten financial institutes including the Land Bank of Taiwan. Specifically, (1) A-1 credit extension: It is for the

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

borrower Yeong Guan Energy Technology Group Company Limited to repay its loan (including but not limited to the balance of the previous syndicated loan), mid-term loan. Credit line is USD75 million dollars or EURO with equivalent value. One time drawdown, however, revolving credit is not allowed. (2) A-2 Credit Extension: It is for the borrower Yeong Guan Energy Technology Group Company Limited to repay its domestic 3rd unsecured convertible bond. Credit line is USD55 million dollars or EURO with equivalent value. Multiple drawdowns are available. However, revolving credit is not allowed. (3) B-1 Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to repay its loan (including but not limited to the balance of the previous syndicated loan) Credit line is NT\$245 million dollars or foreign currency with equivalent value (limited to USD, Euro Dollar). Multiple drawdowns are unavailable. However, revolving credit is not allowed. (4)B-2 Credit Extension: It is for the borrower Yeong Guan Holdings Co., Limited Taiwan Branch to buy PPE. Credit line is NT\$1.4 billion dollars or foreign currency with equivalent value (limited to USD, Euro dollar). Multiple drawdowns are unavailable. However, revolving credit is not allowed. (5) B-3 Credit Extension: It is for borrower Yeong Guan Holdings Co., Limited Taiwan Branch to strengthen mid-term operation capital. Credit line is NT\$0.5 billion dollars or foreign currency with equivalent value (limited to USD, Euro Dollar). Revolving credit is available. The credit period shall be from the date of first use to the date of expiration of 5 years. However, the Group may apply to extend the credit extension period for 2 years, once only The borrower shall fully pay off all debts under this credit.

18. Corporate Bond Payable

	June 30, 2023	December 31, 2022	June 30, 2022
Third Domestic Unsecured Convertible Bonds (1)	\$1,484,064	\$1,480,456	\$ 1,4746,794
Forth Domestic Unsecured Convertible Bonds (2)	<u>992,540</u>	<u>-</u>	<u>-</u>
	<u>2,476,604</u>	<u>1,480,456</u>	<u>1,476,794</u>
Less: Current portion	<u>(1,484,064)</u>	<u>(1,480,456)</u>	<u>-</u>
	<u>\$992,540</u>	<u>\$ -</u>	<u>\$1,476,794</u>

- (1) On September 3, 2020, the Company issued 15,000 units NTD denominated un-secured convertible corporate bond with 0% coupon rate and total principal amount of NT\$1.5 billion.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Each unit corporate bond holder is entitled to convert the bond into the Company's common shares under the price of NT\$100/share. After determination of conversion price, adjustments shall be made in accordance with conversion price adjustment formula in the event of ex-right or ex-dividend. As of Dec. 31, 2022, conversion price has been adjusted to NT\$96.4 and conversion period starts from December 4, 2020 to September 3, 2025. In the event of unconverted corporate bond upon expiration of aforementioned period, onetime cash repayment of bond face value plus interest compensation will be made on September 3, 2025. In the event that conditions are met, the Company shall be entitled to request to redeem this convertible corporate bond from creditors based on agreed prices.

During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event the Company's common share closing prices in Taiwan Stock Exchange exceed this bond's conversion price at that time over 30% (included) for 30 consecutive business days, the Company will be entitled to send out a 30-day-expiration "Bond Redemption Notice" within subsequent 30 business days, and redeem all bonds in cash calculated based on face value upon expiration of aforementioned period. During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event that this bond's outstanding balance is lower than 10% of original total issue amount, the Company will therefore be entitled to send out a 30-day-expiration "Bond Redemption Notice" based on names recorded on bondholder's name list at any time thereafter, and redeem outstanding bond in cash calculated based on face value upon expiration of aforementioned period.

Respective expiration dates of 3-year periods after issuance are pre-mature sell back record dates for bondholders of this bond. Bondholders are entitled to send out notice in writing to the Company's share agent within 40 days prior to aforementioned sell back record dates requesting the Company to redeem bond held by them in cash and in 101.51% of face value.

This convertible corporate bond includes liability and equity components. Equity components are presented as Additional Paid-In Capital - Share Subscription Right under equities. Liability components, on the other hand, are cognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$7,050, NT\$35,700 and NT\$38,700 thousand (included in financial liabilities - noncurrent

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

which are measured through profit/loss based on fair value) on June 30, 2023, December 31, 2022 and June 30, 2022 respectively; non-derivative product liability have been measured on June 30, 2023, December 31, 2022 and June 30, 2022 are NT\$1,484,064 thousand, NT\$1,480,456 thousand NT\$1,476,794 thousand (included in corporate bond payable which is due, or whose put option will be exercised, in one year) based on amortized cost and its effective interest rate originally recognized is 0.4923%

Issuance Proceeds (less transaction cost of NT\$4,094 thousand)	\$ 1,549,294
Equity Components	(<u>80,098</u>)
Net Liability Components on Issue Day (including NT\$1,463,619 thousand of corporate bond payable and NT\$5,577 thousand of financial assets at fair value – non-current)	1,469,196
Interest Calculated in Effective Interest Rate	20,445
Loss on Valuation of Financial Instrument	<u>1,473</u>
Net Liability Components on June 31, 2023	<u>\$ 1,491,114</u>

All of the third unsecured convertible corporate bonds have not yet been converted as of June 30, 2023.

- (2) On February 20, 2023, the Company issued 15,000 units NTD denominated un-secured convertible corporate bond with 0% coupon rate and total principal amount of NT\$1.5 billion.

Each unit corporate bond holder is entitled to convert the bond into the Company's common shares under the price of NT\$62.3/share. Conversion period starts from May 20, 2023 to February 20, 2028. In the event of unconverted corporate bond upon expiration of aforementioned period, onetime cash repayment of bond face value plus interest compensation will be made on February 20, 2028. In the event that conditions are met, the Company shall be entitled to request to redeem this convertible corporate bond from creditors based on agreed prices.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event the Company's common share closing prices in Taiwan Stock Exchange exceed this bond's conversion price at that time over 30% (included) for 30 consecutive business days, the Company will be entitled to send out a 30-day-expiration "Bond Redemption Notice" within subsequent 30 business days, and redeem all bonds in cash calculated based on face value upon expiration of aforementioned period. During the period which starts from the next day after 3 months of issuance and until 40 days before expiration of the issuance, in the event that this bond's outstanding balance is lower than 10% of original total issue amount, the Company will therefore be entitled to send out a 30-day-expiration "Bond Redemption Notice" based on names recorded on bondholder's name list at any time thereafter, and redeem outstanding bond in cash calculated based on face value upon expiration of aforementioned period.

Respective expiration dates of 3-year periods after issuance are pre-mature sell back record dates for bondholders of this bond. Bondholders are entitled to send out notice in writing to the Company's share agent within 40 days prior to aforementioned sell back record dates requesting the Company to redeem bond held by them in cash and in 101.51% of face value.

This convertible corporate bond includes liability and equity components. Equity components are presented as Additional Paid-In Capital - Share Subscription Right under equities. Liability components, on the other hand, are cognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$4,527 thousand (included in financial liabilities - noncurrent which are measured through profit/loss based on fair value) on June 30, 2023; non-derivative product liability have been measured on June 30, 2023 is NT\$992,540 thousand (included in corporate bond payable which is due, or whose put option will be exercised, in one year) based on amortized cost and its effective interest rate originally recognized is 1.2785%.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Issuance Proceeds (less transaction cost of NT\$5,811 thousand)	\$ 1,557,690
Equity Components	(<u>141,750</u>)
Net Liability Components on Issue Day (including NT\$1,407,684 thousand of corporate bond payable and NT\$8,256 thousand of financial assets at fair value – non-current)	1,415,940
Interest Calculated in Effective Interest Rate	6,353
Convertible bonds converted into ordinary shares	(421,497)
Gain on Valuation of Financial Instrument	(<u>3,729</u>)
Net Liability Components on June 30, 2023	<u>\$ 997,064</u>

19. Other Payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Salary Payable	\$ 253,071	\$ 323,127	\$ 246,030
Payables on Equipment	128,350	128,308	65,337
Processing Fee Payable	103,138	105,743	73,756
Utilities Payable	29,312	23,093	21,631
Freight Payable	22,307	45,649	40,088
Tax Payable	24,155	42,567	24,301
Interest Payable	15,803	14,667	7,328
Others	<u>126,006</u>	<u>167,288</u>	<u>166,472</u>
	<u>\$ 702,142</u>	<u>\$ 850,442</u>	<u>\$ 644,943</u>

20. Retirement Benefit Plans

Yeong Chen Asia Pacific Co., Ltd. Yeong Guan Holdings Co., Limited Taiwan branch adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

21. Equity

(1) Share Capital

	June 30, 2023	December 31, 2022	June 30, 2022
	<u> </u>	<u> </u>	<u> </u>
Number of Shares Authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>117,796</u>	<u>110,618</u>	<u>110,618</u>
Shares issued	<u>\$ 1,177,957</u>	<u>\$ 1,106,175</u>	<u>\$1,106,175</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

(2) Capital Surplus

The capital surplus arising from shares issued in excess of par (including share premium from the issuance of ordinary shares, treasury share transactions, consolidation excess and expired share options) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year).

Capital surplus generated from equity component of convertible bonds payable may not be used for any purpose; Capital surplus generated from forfeited share options may only be used to offset a deficit.

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and then any remaining profit together with any undistributed retained earnings, distributed, shall be used by the Company’s board of directors as the basis for proposing a

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 23. compensation of employees and remuneration of directors.

Distribution of shareholder dividend and employee bonus can be distributed, pursuant to Board of Director’s Meeting determination, to employees or shareholders in cash, proceeds from fully paid shares not yet issued, or both cash and aforementioned proceeds. For shareholder dividend, however, cash dividend distributed shall not be less than 10% of all dividends. The Company will not pay for interest on undistributed dividend or bonus.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders’ meeting held on June 16, 2023 and June 17, 2022, respectively, were as follows:

	Earnings Distribution	
	2022	2021
Legal Reserve	\$ <u> -</u>	\$ <u> 21,610</u>
Special Reserve	(<u>\$ 156,576</u>)	(<u>\$ 45,393</u>)
Cash Dividends	\$ <u> -</u>	\$ <u> 66,371</u>
Cash Dividends per share(NT\$)	\$ <u> -</u>	\$ <u> 0.6</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(4) Special Reserve

Upon the Company's first adoption of IFRSs, accumulated conversion adjustment amount transferred into retained earnings was NT\$8,214 thousand. The same amount of special reserve has already been appropriated accordingly. Upon earnings distribution, other shareholder's equity deduction as of the ending day of reporting period as well as special reserve appropriated during first adoption of IFRSs shall also be recognized. In the event that there is a subsequent reversal on other shareholder's equity reduction balance, distribution of earnings can then be conducted on the reserval portion.

(5) Non-Controlling Interest

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Balance at January 1	\$ 128,061	\$ 125,345
Current Net Profit (Loss)	(1,162)	(4,293)
Exchange Difference on Translation of Foreign Financial Statement	(2,771)	1,854
Adjustments relating to changes in capital surplus of Yeong Guan Heavy Industry (Thailand) Company	<u>44,635</u>	<u>-</u>
Balance at June 30	<u>\$ 168,763</u>	<u>\$ 122,906</u>

22. **Revenue**

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Client Contract Revenue				
Product Sales Revenue	<u>\$ 2,342,407</u>	<u>\$ 2,330,4189</u>	<u>\$ 4,560,083</u>	<u>\$ 4,143,517</u>

(2) Disaggregation of revenue from contracts with customers

Please refer to note 32 for detail information on client contract revenue.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

23. Net Profit(Loss)

(1) Interest Income

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Bank deposits	\$ <u>9,174</u>	\$ <u>8,086</u>	\$ <u>16,621</u>	\$ <u>18,367</u>

(2) Other Profits and Losses

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Subsidized Income	\$ 2,034	\$ 1,428	\$ 2,297	\$ 2,747
Net Gain/(Loss) from Disposal and Abandonment of Property, Factory and Equipment	42	(143)	(7,163)	(320)
Others	<u>10,712</u>	<u>548</u>	<u>13,435</u>	<u>1,594</u>
	<u>\$ 12,788</u>	<u>\$ 1,833</u>	<u>\$ 8,569</u>	<u>\$ 4,021</u>

(3) Financial Cost

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Interest on Bank Loans	\$ 70,491	\$ 31,431	\$ 145,616	\$ 54,584
Interest on Lease Liabilities	1,564	1,125	2,566	2,271
Interest on Convertible Bond	<u>6,195</u>	<u>1,817</u>	<u>9,961</u>	<u>3,602</u>
	78,250	34,373	158,143	60,457
Less: Amounts included in the cost of qualifying assets	(<u>28,486</u>)	(<u>6,902</u>)	(<u>48,455</u>)	(<u>11,000</u>)
	<u>\$ 49,764</u>	<u>\$ 27,471</u>	<u>\$ 109,688</u>	<u>\$ 49,457</u>

Information on capitalized interest is as follows:

	For the Three Months Ended		For the Six Months Ended June 30	
	June 30 2023	2022	2023	2022
Capitalized interest amount	\$ 28,486	\$ 6,902	\$ 48,455	\$ 11,000
Capitalization rate	2.265%-2.836%	0.8%-1.744%	2.265%-2.836%	0.8%-1.744%

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(4) Depreciation, Amortization and Employee Benefit Expense

	For the three months ended June 30, 2023			For the three months ended June 30, 2022		
	Business Cost	Business Expense	Total	Business Cost	Business Expense	Total
Employment Benefit Expense						
Post-Employment Benefit	\$ 14,391	\$ 5,757	\$ 20,148	\$ 15,496	\$ 5,232	\$ 20,728
Other Employment Benefit	<u>222,948</u>	<u>112,751</u>	<u>335,699</u>	<u>272,301</u>	<u>99,480</u>	<u>371,781</u>
	<u>\$ 237,339</u>	<u>\$ 118,508</u>	<u>\$ 355,847</u>	<u>\$ 287,797</u>	<u>\$ 104,712</u>	<u>\$ 392,509</u>
Depreciation	<u>\$ 102,037</u>	<u>\$ 21,592</u>	<u>\$ 123,629</u>	<u>\$ 108,279</u>	<u>\$ 24,146</u>	<u>\$ 132,425</u>
Amortization	<u>\$ 242</u>	<u>\$ 1,630</u>	<u>\$ 1,872</u>	<u>\$ 17</u>	<u>\$ 2,371</u>	<u>\$ 2,388</u>

	For the six months ended June 30, 2023			For the six months ended June 30, 2022		
	Business Cost	Business Expense	Total	Business Cost	Business Expense	Total
Employment Benefit Expense						
Post-Employment Benefit	\$ 30,132	\$ 10,146	\$ 40,278	\$ 30,809	\$ 9,341	\$ 40,150
Other Employment Benefit	<u>469,424</u>	<u>217,825</u>	<u>687,249</u>	<u>502,150</u>	<u>184,271</u>	<u>686,421</u>
	<u>\$ 499,556</u>	<u>\$ 227,971</u>	<u>\$ 727,527</u>	<u>\$ 532,959</u>	<u>\$ 193,612</u>	<u>\$ 726,571</u>
Depreciation	<u>\$ 207,173</u>	<u>\$ 43,152</u>	<u>\$ 244,325</u>	<u>\$ 217,739</u>	<u>\$ 47,319</u>	<u>\$ 265,058</u>
Amortization	<u>\$ 486</u>	<u>\$ 3,268</u>	<u>\$ 3,754</u>	<u>\$ 33</u>	<u>\$ 4,604</u>	<u>\$ 4,637</u>

Aforementioned depreciation expense does not include depreciation expenses of NT\$3 thousand for investment real property for three months ended June 30, 2022 and 2020 (included under non-operating revenue and expense – other benefits and losses).

(5) Employee Compensation and Director/Supervisor Compensation

The Company shall appropriate employee compensation and director/supervisor compensation in accordance with respective distribution zones of 2%~15% and no higher than 3% after current year pre-tax benefits prior to the distribution of employee and director/supervisor compensation are deducted. No compensation of employees and remuneration of directors and supervisors were estimated as the Company reported net losses for the six months ended June 30, 2023. The employees' compensation and remuneration to directors and supervisors for the six months June 30, 2022 were as follows:

.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Ratio

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Employee Compensation	2.5%	-
Director/Supervisor Compensation	-	-

Amount

	For the Three Months Ended		For the Six Months Ended June 30	
	June 30	June 30	June 30	June 30
	2023	2022	2023	2022
Employee Compensation	<u>\$ 2,082</u>	<u>\$ -</u>	<u>\$3,853</u>	<u>\$ -</u>
Director/Supervisor Compensation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees’ compensation and remuneration of directors for the years ended December 31, 2022 and 2021 which had been approved by the Company’s board of directors on March 16, 2023 and March 16, 2022, respectively, were as follows:

Amount

	2022	2021
	Cash Bonus	Cash Bonus
Employee Compensation	\$ -	\$ 5,541
Director/Supervisor Compensation	-	-

There was no difference between the actual appropriated amounts of employees’ compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021. The Company offered to settle employee’s compensation in cash.

Information on the employees’ compensation and remuneration of directors and

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

supervisors resolved by the Company's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. Income Tax

(1) Income tax recognized in profit or loss

The major components of tax expense(benefit) were as follow:

	For the Three Months Ended		For the Six Months Ended June 30	
	June 30			
	2023	2022	2023	2022
Current Tax				
In respect of the current year	\$ 30,994	\$26,662	\$ 54,573	\$27,610
Unappropriated retained earnings	2,653	1,059	2,653	1,059
Adjustments from previous years	(\$9,752)	(\$462)	(\$9,752)	(\$462)
	<u>\$23,895</u>	<u>(\$27,259)</u>	<u>\$47,474</u>	<u>(\$28,207)</u>
Deferred tax				
In respect of the current year	\$ 5,932	(\$21,467)	\$ 4,506	(\$42,554)
Adjustments from previous years	-	1,793	-	(1,793)
	<u>\$ 5,932</u>	<u>(23,260)</u>	<u>\$ 4,506</u>	<u>(44,347)</u>
Income tax expense recognized in profit or loss	<u>\$29,827</u>	<u>\$3,999</u>	<u>\$51,980</u>	<u>(\$16,140)</u>

(2) Income tax assessments

Yeong Chen Asia Pacific Company's tax filing cases prior to the year of 2020 have all been assessed by tax authority and Yeong Guan Holdings Co., Limited Taiwan branch's tax filing cases prior to the year of 2021 have all been assessed by tax authority. Furthermore, all subsidiaries in China and Yeong Guan Heavy Industries have all completed their income tax filings within deadlines in accordance with local tax authorities' requirements.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

25. (Loss) Earnings per Share

The weighted average number of shares outstanding used for the earnings per share computation were as follows:

Net profit(loss) for the period

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended June 30</u>	
	<u>June 30</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(Loss) Profit for the period attributable to owners of the Company	\$ 81,179	(\$89,982)	\$ 150,258	(\$283,602)
Effect of potentially dilutive ordinary shares:				
Convertible Bonds	<u>\$ 1,555</u>	<u>\$ -</u>	<u>(26,651)</u>	<u>\$ -</u>
(Loss) Earnings used in the computation of diluted (Loss) earnings per share	<u>\$82,734</u>	<u>(\$89,982)</u>	<u>\$123,607</u>	<u>(\$283,602)</u>

Number of Shares

Unit: 1,000 shares

	<u>For the Three Months Ended</u>		<u>For the Six Months Ended June 30</u>	
	<u>June 30</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	111,266	110,618	110,943	110,618
Effect of potentially dilutive ordinary shares:				
Convertible Bonds	26,103	-	20,861	-
Employee Bonus or Compensation	<u>54</u>	<u>-</u>	<u>54</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>137,423</u>	<u>110,618</u>	<u>131,858</u>	<u>110,618</u>

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The Group’s third outstanding domestic unsecured convertible bonds are potential common shares. However, given the counter-dilution effect from such potential common shares of 2022 Q2, they are not included in the calculation of diluted earnings per share.

26. Capital Risk Management

The Group engages itself in capital management to ensure necessary finance resources and operation plan for the purpose of meeting the needs for future 12-month operation capital, capital expenditure, debt repayment as well as dividend payment. Under the premise that respective enterprise of the Group will be able to operate continuously, shareholder’s compensation will be maximized through optimization of debt and equity balances.

The Group’s major management regularly review the Group’s capital structure. Contents of review include consideration of various capital costs as well as their related risks. With major management’s suggestions, the Group balances its overall capital structure through dividend payment, new share issuance, new debt issuance or repayment of existing debt.

27. Financial Instruments

(I) Fair value of financial instruments that are not measured at fair value

June 30, 2023

	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial Liability</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$2,476,604	\$2,709,454	\$ -	\$ -	\$2,709,454

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

December 31, 2022

	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial Liability</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$1,480,456	\$1,471,350	\$ -	\$ -	\$1,471,350

June 30, 2022

	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial Liability</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$1,476,794	\$1,507,650	\$ -	\$ -	\$1,507,650

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

1. Fair value hierarchy

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 11,542	\$ -	\$ 11,542
Financial Product	-	138,578	-	138,578
	\$ -	\$ 150,120	\$ -	\$ 150,120
<u>Financial assets at FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 152,388	\$ 152,388
<u>Financial liabilities at FVTPL</u>				
Convertible Bond	\$ -	\$ 11,577	\$ -	\$ 11,577

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 11,035	\$ -	\$ 11,035
Financial Product	-	10,477	-	10,477
	\$ -	\$ 21,512	\$ -	\$ 21,512
<u>Financial assets at FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 58,357	\$ 58,357
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 2,684	\$ -	\$ 2,684
Convertible Bond	-	35,700	-	35,700
	\$ -	\$ 38,384	\$ -	\$ 38,384

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivatives	\$ -	\$ 64	\$ -	\$ 64
Financial Product	<u>-</u>	<u>223,618</u>	<u>-</u>	<u>223,618</u>
	<u>\$ -</u>	<u>\$ 223,682</u>	<u>\$ -</u>	<u>\$ 223,682</u>
<u>Financial assets at FVTOCI</u>				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,637</u>	<u>\$ 93,637</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 155	\$ -	\$ 155
Convertible Bond	<u>-</u>	<u>38,700</u>	<u>-</u>	<u>38,700</u>
	<u>\$ -</u>	<u>\$ 38,855</u>	<u>\$ -</u>	<u>\$ 38,855</u>

There were no transfers between the level 1 and level 2 during the period of three months ended June 30, 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments

June 30, 2023

<u>Financial Assets</u>	<u>Financial Assets at FVTOCI</u>
	<u>Equity Instruments</u>
Balance at January 1, 2023	\$ 58,357
Purchases	137,560
Recognized in other comprehensive income	58,286
settlements	(28,500)
Effect of foreign currency exchange differences	(2,065)
Comprehensive income	223,638
Transferred disposal gains and losses to retained earnings	(71,250)
Balance at June 30, 2023	<u>\$152,388</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

December 31, 2022

<u>Financial Assets</u>	<u>Financial Assets at FVTOCI</u> <u>Equity Instruments</u>
Balance at January 1, 2022	\$ 76,768
Purchases	29,280
Recognized in other comprehensive loss	(14,791)
settlements	(30,000)
Effect of foreign currency exchange differences	<u>27</u>
Comprehensive income	61,284
Transferred disposal gains and losses to retained earnings	(2,927)
Balance at June 30, 2023	<u>\$58,357</u>

June 30, 2022

<u>Financial Assets</u>	<u>Financial Assets at FVTOCI</u> <u>Equity Instruments</u>
Balance at January 1, 2022	\$ 76,768
Purchases	16,310
Recognized in other comprehensive income	421
Effect of foreign currency exchange differences	<u>138</u>
Balance at June 30, 2022	<u>\$93,637</u>

3. Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Types of Financial Instruments</u>	<u>Assessment Techniques and Input Values</u>
Derivatives - foreign exchange forward contracts	Discounted cash flow Method Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Financial Product	Discounted Cash Flow Method: Future cash flow is assessed using period-end observable interest rates and rates of return stipulated in agreements, and is discounted respectively using discount rates which are capable of reflecting respective transaction counterparties' credit risks

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Domestic Third Unsecured Convertible Corporate Bond	Under the assumption that corporate bond will be redeemed on September 13, 2025, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5-year period.
Domestic Forth Unsecured Convertible Corporate Bond	Under the assumption that corporate bond will be redeemed on February 20, 2028, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5-year period.

(III) Categories of Financial Instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial Asset</u>			
Financial assets at FVTPL	\$ 150,120	\$ 21,512	\$ 223,682
Financial assets at amortized cost (Note 1)	6,336,795	6,148,720	6,245,241
Financial assets at FVTOCI	152,388	58,357	93,637
<u>Financial Liability</u>			
Financial liability at FVTPL	11,577	38,384	38,855
Measured at amortized cost (Note 2)	14,667,902	13,108,657	12,219,115

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposit.

Note. 2: The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, trade and other payables, and bonds issued.

(IV) Financial risk management objectives and policies

The Group's main financial instruments include cash and cash equivalents, notes and trade receivables, trade payables, loans and lease liability. The finance department of the Group provides service to business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the Company's board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use financial derivatives and non-derivative financial instrument, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. After completion of derivative financial instrument transaction, finance department will file report to the Board of Directors Meeting accordingly.

1. Market Risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see Note (1) below), interest rates (see Note (2) below) and other price rates (see Note (3) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

(1) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contract.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 7 and 30.

Sensitivity Analysis

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The Group was mainly exposed to the currency USD, EUR and RMB.

The following table details the Group’s sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the functional currency strengthen 1% against the relevant foreign currencies. For a 1% weakening of the functional currency against the relevant foreign currencies, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
USD	\$ 6,959	\$ 14,914
EUR	(4,077)	(3,398)
RMB	(1,976)	(110)

Aforementioned foreign currency’s influence over profit or loss mainly comes from fair value changes, on the balance sheet day, of consolidated company’s outstanding USD, EUR and RMB denominated account receivables/payables without cash flow hedge as well as total amount investment hedge derivatives.

In the management’s opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest Rate Risk

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The Group is exposed to interest rate risk because entities in the Group borrow loans at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair Value Risks			
-Financial Assets	\$ 1,940,480	\$ 1,568,327	\$ 803,266
-Financial Liabilities	4,881,437	3,483,222	3,833,079
Cash Flow Risks			
-Financial Assets	1,669,408	1,995,512	3,016,387
-Financial Liabilities	7,360,289	6,715,802	5,115,240

Sensitivity Analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher or lower and all other variables were held constant, the Group's pre-tax profit for the years ended June 30, 2023 and 2022 would decrease or increase by (\$28,454) thousand and (\$10,494) thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank loans.

(2) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% higher/lower, pre-tax/post-tax profit for the six months ended June 30, 2023 and 2022 would have increased/decreased by \$1,524 thousand and by \$936 thousand.

2. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

To mitigate credit risk, management of consolidated company assigns a specific team responsible for credit extension amount determination, credit extension approval as well as other monitoring processes to ensure that appropriate actions have been taken to recover overdue account receivables. Additionally, consolidated company will, on balance sheet day, re-verify each account receivable recoverable amount to ensure unrecoverable account receivables have already been recognized as appropriate impairment losses. With this, the Company's management considers that consolidated company's credit risks have been reduced dramatically.

The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable.

Current capital transaction counterparties are financial institutions and company organizations with good credit ratings, and therefore their credit risks are limited.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3. Liquidity Risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As of the Group had available unutilized short-term bank loan facilities set out in (3) below.

(I) Liquidity and Interest Rate Risk Tables for Non-Derivative Financial Liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

June 30, 2023

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year	1 to 5 years	more than 5 years
<u>Non-derivative financial liability</u>					
Non-interest bearing	\$ 924,502	\$ 1,246,209	\$ 340,836	\$ 406	\$ -
Lease liability	2,187	4,374	19,663	102,937	133,491
Variable interest rate instrument	866,287	960,576	369,783	5,263,643	-
Fixed interest rate instrument	703,674	1,837,067	982,579	1,095,465	-
	<u>\$2,496,650</u>	<u>\$4,048,226</u>	<u>\$1,612,861</u>	<u>\$6,462,451</u>	<u>\$ 133,491</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liability	<u>\$ 26,224</u>	<u>\$ 102,937</u>	<u>\$ 79,942</u>	<u>\$ 53,549</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year	1 to 5 years	more than 5 years
<u>Non-derivative financial liability</u>					
Non-interest bearing	\$ 886,250	\$1,598,223	\$ 337,954	\$ 588	\$ -
Lease liability	2,056	4,128	13,004	60,169	137,608
Variable interest rate instrument	943,649	304,773	367,409	5,099,971	-
Fixed interest rate instrument	443,667	334,939	987,651	1,500,000	-
	<u>\$2,275,622</u>	<u>\$2,242,063</u>	<u>\$1,706,018</u>	<u>\$6,660,728</u>	<u>\$ 137,608</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liability	<u>\$ 19,188</u>	<u>\$ 60,169</u>	<u>\$ 74,707</u>	<u>\$ 62,901</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2022

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year	1 to 5 years	more than 5 years
<u>Non-derivative financial liability</u>					
Non-interest bearing	\$1,494,941	\$1,584,996	\$ 188,925	\$ 75	\$ -
Lease liability	2,237	4,283	18,474	58,096	137,875
Variable interest rate liabilities	885,191	233,451	133,785	3,862,813	-
Fixed interest rate instrument	679,443	222,083	989,099	1,721,489	-
	<u>\$3,061,812</u>	<u>\$2,044,813</u>	<u>\$1,330,283</u>	<u>\$5,642,473</u>	<u>\$ 137,875</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liability	<u>\$ 24,994</u>	<u>\$ 58,096</u>	<u>\$ 71,905</u>	<u>\$ 65,970</u>	<u>\$ -</u>	<u>\$ -</u>

Differences between floating interest rate and interest rate estimated on balance sheet day will lead to changes in floating interest rate instrument amounts for aforementioned non-derivative financial liability.

(2) Liquidity and Interest Rate Risk Tables for Derivative Financial Liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

June 30, 2023

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year
<u>Net settled</u>			
Foreign exchange forward contracts			
- Inflow	\$ -	\$ 170,492	\$ -
- Outflow	-	(158,950)	-
	<u>\$ -</u>	<u>\$ 11,542</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year
<u>Net settled</u>			
Foreign SWAP contracts			
- Inflow	\$ 108,745	\$ -	\$ 321,596
- Outflow	(106,105)	-	(315,885)
	<u>\$ 2,640</u>	<u>\$ -</u>	<u>\$ 5,711</u>

June 30, 2022

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year
<u>Net settled</u>			
Foreign SWAP contracts			
- Inflow	\$ -	\$ -	\$ 29,680
- Outflow	-	-	(29,835)
	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 155)</u>

	On Demand or Less than 1 Month	1 to 3 months	3 months to 1 year
<u>Net settled</u>			
Interest rate swap			
- Inflow	\$ -	\$ -	\$ 59,360
- Outflow	-	-	(59,296)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64</u>

(3) Financing Facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured Bank Overdraft Facility, Reviewed Annually			
- Amount Used	\$ 4,153,970	\$ 4,658,978	\$ 5,131,510
- Amount Unused	3,020,726	2,955,633	1,716,828
	<u>\$ 7,174,696</u>	<u>\$ 7,614,611</u>	<u>\$ 6,848,338</u>
Secured Bank Overdraft Facility, Extendable If Agreed by the Parties)			
- Amount Used	\$ 5,272,304	\$ 3,823,081	\$ 2,095,844
- Amount Unused	4,280,165	3,876,356	2,030,280
	<u>\$ 9,552,469</u>	<u>\$ 7,699,437</u>	<u>\$ 4,126,124</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(V) Information of Financial Asset Transfer

The Group transferred a portion of its banker’s acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable is not paid at maturity, the suppliers have the right to request that the Group pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group’s continuing involvement in the derecognized bills receivable is equal to the face amounts of \$970,206 thousand, \$904,597 thousand and \$749,268 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the six months ended June 30, 2023 and 2022, the Group did not recognize any gains or losses upon the transfer of the banker’s acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

28. Transactions With Related Party

Balances, transactions, revenue and expenses between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below

(1) Name and Relation

Name	Relation
Yeong Guan Mould Factory Co., Ltd.	Substantial related-party

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(2) Others

	For the Three Months Ended		For the Six Months Ended June 30	
	June 30			
	2023	2022	2023	2022
Rent income	\$ 15	\$ 15	\$ 30	\$ 30

For lease contract with related party, rent is determined under reference of market prices and payment is subject to the general terms and conditions.

(3) Major Management Remuneration

	For the Three Months Ended		For the Six Months Ended June 30	
	June 30			
	2023	2022	2023	2022
Short-term Employee Benefit	\$ 8,236	\$ 8,118	\$ 16,513	\$ 16,604
Post-Employment Benefit	219	160	438	305
	\$ 8,455	\$ 8,278	\$ 16,951	\$ 16,909

The compensation to directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

29. Assets Pledged as Collateral or for Security

The Group's following assets are provided as loan collaterals, construction performance bond or product quality warranty.

	June 30, 2023	December 31, 2022	June 30, 2022
Property, Plant and Equipment, Net	\$ 1,772,463	\$ 1,405,171	\$ 968,067
Right-to-Use Asset	174,764	181,697	185,192
Other Financial Assets – Current	1,247,771	1,226,043	1,044,524
Other Financial Assets – Noncurrent (included in other noncurrent assets)	44,202	40,266	335,584
	\$ 3,239,200	\$ 2,853,177	\$ 2,533,367

30. Significant Assets and Liabilities Denominated in Foreign Currencies

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The significant financial assets and liabilities denominated in foreign currencies were as follows:

June 30, 2023

	Foreign Currency	Exchange Rate	Book Value
<u>Financial Assets</u>			
<u>Currency Item</u>			
USD	\$ 10,647	7.2258 (USD: RMB)	\$ 331,458
USD	8,256	31.14 (USD: NTD)	257,092
EUR	21,272	7.8771 (EUR: RMB)	719,206
EUR	19,598	33.81 (EUR: NTD)	662,608
RMB	57,691	4.3096 (RMB: NTD)	248,625
THB	21,202	0.8761 (THB: NTD)	18,575
	Foreign Currency	Exchange Rate	Book Value
<u>Non-monetary items</u>			
<u>Derivatives</u>			
EUR	341	7.8771 (EUR: RMB)	11,542
<u>Financial Liability</u>			
<u>Currency Item</u>			
USD	575	7.2258 (USD: RMB)	17,906
USD	40,674	31.14 (USD: NTD)	1,266,588
EUR	2,052	7.8771 (EUR: RMB)	69,378
EUR	27,100	33.81 (EUR: NTD)	916,251
RMB	11,831	4.3096 (RMB: NTD)	50,987

December 31, 2022

	Foreign Currency	Exchange Rate	Book Value
<u>Financial Assets</u>			
<u>Currency Item</u>			
USD	\$ 20,108	6.9646 (USD: RMB)	\$ 617,919
USD	14,275	30.73 (USD: NTD)	438,671
EUR	20,436	7.4229 (EUR: RMB)	668,666
EUR	13,745	32.72 (EUR: NTD)	449,736
RMB	118,846	4.4123 (RMB: NTD)	524,384
THB	69,754	0.8896 (THB: NTD)	62,053
<u>Non-monetary items</u>			
<u>Derivatives</u>			
USD	69	6.9646 (USD: RMB)	2,121
EUR	16	141.77 (EUR: JPY)	519
EUR	256	7.4229 (EUR: RMB)	8,395
<u>Financial Liability</u>			
<u>Currency Item</u>			
USD	824	6.9646 (USD: RMB)	25,322
USD	92,860	30.73 (USD: NTD)	2,853,588
EUR	2,823	7.4229 (EUR: RMB)	92,369
EUR	26,538	32.72 (EUR: NTD)	868,323

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

RMB	30,452	4.4123 (RMB: NTD)	134,363
<u>Non-monetary items</u>			
<u>Derivatives</u>			
USD	87	6.9646 (USD: RMB)	2,683

June 30, 2022

<u>Financial Assets</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Book Value</u>
<u>Currency Item</u>			
USD	\$ 33,284	6.7114 (USD: RMB)	\$ 989,533
USD	16,462	29.73 (USD: NTD)	489,415
EUR	18,883	7.0084 (EUR: RMB)	586,317
EUR	23,690	31.05 (EUR: NTD)	735,575
RMB	16,026	4.4298 (RMB: NTD)	70,992

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Book Value</u>
<u>Non-monetary items</u>			
<u>Derivatives</u>			
USD	2	6.7114 (USD: RMB)	64
<u>Financial Liability</u>			
<u>Currency Item</u>			
USD	12,086	6.7114 (USD: RMB)	359,317
USD	87,822	29.73 (USD: NTD)	2,610,948
EUR	12	7.0084 (EUR: RMB)	373
EUR	31,671	31.05 (EUR: NTD)	981,708
RMB	13,537	4.4298 (RMB: NTD)	59,966
<u>Non-monetary items</u>			
<u>Derivatives</u>			
USD	5	6.9646 (USD: RMB)	155

For the three months ended June 30, 2023 and 2022, and for the six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were 25,268 thousand, (44,411) thousand, 39,846 thousand and (128,219) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

31. Disclosed Items

(I) Information about significant transactions:

- Loans provided to other parties (Table 1)

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

2. Endorsements/guarantees given to other parties (Table 2)
 3. Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 3)
 4. Purchases or sales of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital. (None)
 5. Acquisition of real estate at costs of at least NT \$300 million or 20% of the paid-in capital (None)
 6. Disposal of real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 7. Purchases or sales with related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 9. Derivative transactions (Note 7 “Financial Instruments at Fair Value through Profit or Loss”)
 10. Intercompany relationships and significant intercompany transactions (Table 8)
- (II) Information on investees (Table 6)
- (III) Information for investments in Mainland China
1. Information for any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, and limit on the amount of investment in the mainland China area (Table 7)
 2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1 to 8)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

- (4) The balance of negotiable instrument endorsements/guarantees or pledges of collateral at the end of the period and the purposes.
- (5) The highest balance, the ending balance, the interest rate range, and the total of current interest with respect to loans provided.
- (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(IV) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Departments shall be reported by the Group are casting processing and other.

Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Department Income		Department Profit	
	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended June 30, 2023	For the three months ended June 30, 2022
Casting Processing Dept.	\$ 4,560,083	\$ 4,138,589	\$ 523,183	\$ 150,343
Other	-	4,658	(-)	(652)
Total amounts of continuing operations	<u>\$ 4,560,083</u>	<u>\$ 4,138,589</u>	523,183	330,674
Interest revenue			16,621	13,392
Other Profit and Loss			8,569	2,866
Financial Product Net Profit at Fair Value through Profit and Loss			38,926	(13,480)
Net exchange gains			39,846	(128,219)
Finance costs			(109,688)	(49,457)
Management and Administration Expense			(316,381)	(284,958)
Profit before income tax			<u>\$ 201,076</u>	<u>(\$ 304,035)</u>

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

The segment revenues were accounted for the transactions with external customers. No inter-segment sales occurred for the years ended December 31, 2022 and 2020.

Segment profit represented the profit before tax earned by each segment without interest income, other gain or loss, net gain on financial assets and liabilities at fair value through profit and loss, exchange gain or loss, finance costs, allocation of central administration costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(2) Segment Total Assets

Measurement of consolidated company's assets is not provided to operating decision makers, and therefore measurement amount for assets is zero.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
LOANS PROVIDED TO OTHER PARTIES
FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 1

Unit: NTD in thousands unless otherwise prescribed

Serial No	Financing Company	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Balance Used	Interest Rate	Type of Financing	Transaction Amount	Reason for Short-term Financing	Bad Debt Allowance	Collateral		Financing limit for each borrowing company	Financing Amount Limits	Note
													Item	Value			
1	Yeong Guan Energy Technology Group Co., Ltd	Yeong Guan Holdings Co., Limited	Other Account Receivable—Related Party	Yes	\$ 1,000,000	\$ 1,000,000	\$ 129,287	-	Short Term Financing Capital	\$ -	Business Turnover	\$ -	-	-	\$ 2,672,405	\$ 3,563,206	
2	Yeong Shang Casting Iron Company	Shanghai No. 1 Machine Tool Foundry Company	Other Account Receivable—Related Party	Yes	452,503 (RMB 105,000 thousand)	452,503 (RMB 105,000 thousand)	452,503 (RMB 105,000 thousand)	3.65	Short Term Financing Capital	-	Business Turnover	-	-	-	953,787	1,271,716	
3	Yeong Shang Casting Iron Company	Yeong Guan Energy Technology Group Co., Ltd	Other Account Receivable—Related Party	Yes	67,894 (EUR 2,000 thousand)	67,894 (EUR 2,000 thousand)	67,894 (EUR 2,000 thousand)	3.00	Short Term Financing Capital	-	Business Turnover	-	-	-	6,358,578	6,358,578	
4	Lu Lin Machine Tool Foundry Company	Shanghai No. 1 Machine Tool Foundry Company	Other Account Receivable—Related Party	Yes	258,573 (RMB 60,000 thousand)	258,573 (RMB 60,000 thousand)	258,573 (RMB 60,000 thousand)	3.65	Short Term Financing Capital	-	Business Turnover	-	-	-	431,856	575,808	
5	Lu Lin Machine Tool Foundry Company	Dongguan Yeong Guan Casting Iron Factory Company	Other Account Receivable—Related Party	Yes	258,573 (RMB 60,000 thousand)	129,287 (RMB 30,000 thousand)	43,096 (RMB 10,000 thousand)	3.60	Short Term Financing Capital	-	Business Turnover	-	-	-	2,879,042	2,879,042	
6	Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	Other Account Receivable—Related Party	Yes	603,338 (RMB 140,000 thousand)	603,338 (RMB 140,000 thousand)	430,955 (RMB 100,000 thousand)	3.65	Short Term Financing Capital	-	Business Turnover	-	-	-	1,569,230	2,092,307	
7	Bright Steel Fine Machinery Company	Yeong Guan Holdings Co., Limited	Other Account Receivable—Related Party	Yes	92,570 (RMB 21,480 thousand)	-	-	-	Short Term Financing Capital	-	Business Turnover	-	-	-	10,461,534	10,461,534	

Note 1: Maximum balance and ending balance for this year are calculated based on exchange rate on June 30, 2023.

Note 2: All intercompany transactions have been eliminated upon consolidation.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
 ENDORSEMENTS/GUARANTEES PROVIDED
 FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 2

Unit: NTD in thousands unless otherwise prescribed

Serial No.	Endorsement / Guarantee Provider	Guaranteed Party		Endorsement /guarantee amount limit to each company	Maximum endorsement /guarantee balance for this period	Ending Endorsement /guarantee balance	Balance Used	Endorsement /guarantee amount collateralized by property	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Endorsement /guarantee amount limit	Parent company's endorsement /guarantee for subsidiary	Subsidiary's endorsement /guarantee for Parent company	endorsement /guarantee for China region	Note
		Name	Relationship											
0	Yeong Guan Energy Technology Group Co., Ltd	Shanghai No. 1 Machine Tool Foundry Company	Subsidiary of Sub- subsidiary	\$ 890,802	\$ 371,178	\$ 371,178	\$ 215,478	\$ -	4.17%	\$ 13,362,023	Y	N	Y	
		Yeong Guan Holdings Co., Limited	Subsidiary	13,362,023	(USD 5,000 thousand) (RMB 50,000 thousand) 7,806,400	(USD 5,000 thousand) (RMB 50,000 thousand) 6966400	(RMB 50,000 thousand) 2,252,355		78.20%	13,362,023	Y	N	N	
		Yeong Chen Asia Pacific Company	Sub-subsidiary	13,362,023	(USD 10,000 thousand) 70,664	(USD 10,000 thousand) 70,664	(USD 3206 thousand) -	-	0.79%	13,362,023	Y	N	N	

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD

JUNE 30, 2023

Table 3

Unit: thousand shares / NTD thousand

Holding Company	Types and Names of Securities	Relationship with Securities Issuer	Recognized Account	End of Period				Note
				Number of Shares	Book Amount	Holding Percentage	Fair Value	
Yeong Shang Casting Iron Company	Bank of Ningbo - Financial consignment 2023	Not related party	Financial asset measured at fair value through profit and loss	-	86,191 (RMB 20,000 thousand)	-	86,191 (RMB 20,000 thousand)	
Lu Lin Machine Tool Foundry Company	Bank of Ningbo – No 6 Daily Financial product	Not related party	Financial asset measured at fair value through profit and loss	-	8,664 (RMB 2,010thousand)	-	8,664 (RMB 2,010thousand)	
Yeong Chia Mei Trade Company	Bank of China daily accumulated plan	Not related party	Financial asset measured at fair value through profit and loss	-	627 (RMB 145 thousand)	-	627 (RMB 145 thousand)	
Yeong Chia Mei Trade Company	Bank of Ningbo - No 7 Daily Financial product	Not related party	Financial asset measured at fair value through profit and loss	-	43,096 (RMB 10,000 thousand)	-	43,096 (RMB 10,000 thousand)	
Yeong Chen Asia Pacific Company	Formosa 5 International Investment Co., Ltd.,	Not related party	Financial asset measured at fair value through comprehensive income	1,512,420	16,637	9.75%	16,637	
Yeong Guan Holdings Co., Limited	Asia Renewable Energy (Cayman) Ltd.	Not related party	Financial asset measured at fair value through comprehensive income	399,972	-	0.39%	-	
Yeong Guan Holdings Co., Limited	KOP Investment Limited Company	Not related party	Financial asset measured at fair value through comprehensive income	40,000	-	4%	-	
Bright Steel Fine Machinery Company	Jiuquan One heavy wind power Group Company	Not related party	Financial asset measured at fair value through comprehensive income	-	135,751 (RMB 31,500 thousand)	15%	135,751 (RMB 31,500 thousand)	

Note 1: Amounts at the end of this period are calculated based on exchange rates dated June 30, 2023.

Note 2: Please refer to table 6 and table 7 for related information on invested subsidiaries.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 4

Unit: in thousands of NTD

Purchase (Sales) Company	Transaction Counterpart	Relationship	Transaction Details				Cases and Reasons for Transaction Terms Different Those of Average Transactions		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sales)	Amounts	Percentage of Total Purchase (Sales)	Credit Extension Period	Unit Price	Credit Extension Period	Balance	Percentage of Total Notes/Accounts Receivables (Payables)	
Yeong Shang Casting Iron Company	Lu Lin Machine Tool Foundry Company	Same parent company	Purchase	\$ 219,618	19%	(Note 1)	\$ -	-	(\$ 141,703)	25%	
Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	Same parent company	Purchase	242,207	13%	(Note 1)	-	-	(147,590)	16%	
Bright Steel Fine Machinery Company	Lu Lin Machine Tool Foundry Company	Same parent company	Purchase	130,577	7%	(Note 1)	-	-	(84,533)	9%	
Yeong Chen Asia Pacific Company	Dongguan Yeong Guan Casting Iron Factory Company	Same parent company	Purchase	136,447	13%	(Note 1)	-	-	(69,094)	13%	
Yeong Chen Asia Pacific Company	Yeong Shang Casting Iron Company	Same parent company	Purchase	486,684	46%	(Note 1)	-	-	(258,948)	49%	
Yeong Chen Asia Pacific Company	Bright Steel Fine Machinery Company	Same parent company	Purchase	149,089	14%	(Note 1)	-	-	(73,468)	14%	
Yeong Shang Casting Iron Company	Yeong Chen Asia Pacific Company	Same parent company	(Sales)	(486,684)	35%	(Note 1)	-	-	258,948	27%	
Lu Lin Machine Tool Foundry Company	Yeong Shang Casting Iron Company	Same parent company	(Sales)	(219,618)	38%	(Note 1)	-	-	141,703	21%	
Lu Lin Machine Tool Foundry Company	Bright Steel Fine Machinery Company	Same parent company	(Sales)	(130,577)	23%	(Note 1)	-	-	84,533	13%	
Bright Steel Fine Machinery Company	Yeong Chen Asia Pacific Company	Same parent company	(Sales)	(149,089)	7%	(Note 1)	-	-	73,468	4%	
Dongguan Yeong Guan Casting Iron Factory Company	Yeong Chen Asia Pacific Company	Same parent company	(Sales)	(136,447)	48%	(Note 1)	-	-	69,094	36%	
Shanghai No. 1 Machine Tool Foundry Company	Bright Steel Fine Machinery Company	Same parent company	(Sales)	(242,207)	27%	(Note 1)	-	-	147,950	18%	

Note 1: Price and payment terms for transactions with related party are determined in accordance with the parties' agreement.

Note 2: Aforementioned transactions have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2023

Table 5 Unit: in thousands of NTD

Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Yeong Shang Casting Iron Company	Yeong Chen Asia Pacific Company	Same ultimate parent company	\$ 258,948	-	\$ -	—	\$ -	\$ -
Yeong Shang Casting Iron Company	Shanghai No. 1 Machine Tool Foundry Company	Same ultimate parent company	480,042 (Note1)	-	-	—	2,319	-
Lu Lin Machine Tool Foundry Company	Yeong Shang Casting Iron Company	Same ultimate parent company	141,703	-	-	—	32,327	-
Lu Lin Machine Tool Foundry Company	Shanghai No. 1 Machine Tool Foundry Company	Same ultimate parent company	310,990 (Note 2)	-	-	—	9,408	-
Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	Same ultimate parent company	453,831 (Note 3)	-	-	—	14,986	-
Shanghai No. 1 Machine Tool Foundry Company	Bright Steel Fine Machinery Company	Same ultimate parent company	147,590	-	-	—	91,933	-
Yeong Guan Energy Technology Group Co., Ltd.	Yeong Guan Holdings Co., Limited	Subsidiaries	129,287 (Note 4)	-	-	—	-	-

Note 1: This includes financing amount NT\$452,503 thousand and interest receivable of NT\$9,589 thousand.

Note 2: This includes financing amount NT\$258,573 thousand and interest receivable of NT\$4,757 thousand.

Note 3: This includes financing amount NT\$430,955 thousand and interest receivable of NT\$8,239 thousand.

Note 4: This includes financing amount NT\$129,287 thousand.

Note 5: Aforementioned transactions have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
 INFORMATION ON INVESTEEES
 FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 6

Unit: in thousands of NTD

Name of Investing Company	Name of Invested Company	Location	Major Business Items	Original Investment Amount		Quarter End Ownership			Current (Loss) Profit for Invested Company	Recognized Current Investment (Loss) Profit	Note
				June 30, 2023	December 31, 2023	Number of Shares	Percentage (%)	Book Value			
Yeong Guan Energy Technology Group Co., Ltd	Yeong Guan Holdings Co., Limited	British Virgin Islands	Investment Holding Business	\$ 5,924,658	\$ 5,924,658	194,000,000	100.00	\$ 12,478,050	\$ 229,041	\$ 229,041	Note 1
	Yeong Guan Heavy Industry (Thailand) Company	Thailand	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	546,015	412,110	120,000,000	75.00	500,993	(2,396)	(1,797)	Note 1
Yeong Guan Holdings Co., Limited	Yeong Guan International Co., Limited	Hong Kong	Investment Holding Business	5,238,538	5,238,538	805,000,000	100.00	9,174,238	328,636	323,247	Note 1
	Yeong Chen Asia Pacific Company	Taiwan	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	95,000	95,000	-	100.00	717,079	7,817	7,919	Note 1

Note 1: Calculation is based on invested company's CPA reviewed financial statement in the same period and the Company's ownership percentage.

Note 2: Investment profit/loss among invested companies, investment company's long term equity investment and equity net value among invested companies have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
 INFORMATION FOR INVESTMENTS IN MAINLAND CHINA
 FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 7

Unit: in thousands of NTD

Names of Invested Companies in China	Main Business Items	Paid-In Capital	Investment Methods (Note 1)	Accumulated Investment Amounts Remitted from Taiwan, Beginning of This Year	Current Year Investment Amounts Remitted Out or Retrieved Back		Current Year End Accumulated Investment Amount Remitted from Taiwan	Invested Company's Profit/Loss for Current Period	The Company's Direct or Indirect Ownership Percentage	Current Investment Profit (Loss) Recognized (note 2)	Year End Investment Book Value	Investment Yield Remitted Back as of Quarter End	Note
					Remitted Out	Retrieved Back							
Ningbo Yeong Shang Casting Iron Company	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	\$ 1,342,134	(3)	\$ -	\$ -	\$ -	\$ -	\$ 190,184	100%	\$ 190,309	\$ 3,208,984	\$ -	
Dongguan Yeong Guan Casting Iron Factory Company	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	123,173	(3)	-	-	-	-	12,483	100%	11,595	322,447	-	
Ningbo Lu Lin Machine Tool Foundry Company	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	426,774	(3)	-	-	-	(1,194)	100%	9,910	1,436,360	-		
Jiangsu Bright Steel Fine Machinery Company	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	3,576,470	(3)	-	-	-	-	3,152,948	100%	152,834	5,210,456	-	
Ningbo Yeong Chia Mei Trade Company	Transaction of various steel castings and casting molds as well as related import/export businesses	31,140	(3)	-	-	-	-	954	100%	1,163	34,512	-	
Shanghai No. 1 Machine Tool (Suzhou) Company	Manufacturing and selling of high quality casting products of spherical graphite cast iron and grey cast iron	1,048,795	(3)	-	-	-	(19,371)	95.1%	(5,470)	72,606	-		

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
NA	NA	NA

Note 1: The ways to invest in companies in Mainland China are classified into three types below. Mark the type of investment:

- (1) Direct investment in China.
- (2) Investment in China through a company registered in the third region.
- (3) Other ways.

Note 2: The amount was calculated based on financial statements reviewed by a multinational accounting firm having a cooperative relationship with an accounting firm in Taiwan.

Note 3: Investment profit/loss among invested companies, investment company's long term equity investment and equity net value among invested companies have all been cancelled during preparation of consolidated financial statement.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Yeong Guan Energy Technology Group Co., Ltd. and Subsidiaries
 INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE SIX MONTHS ENDED JUNE 30, 2023

Table 8

Unit: in thousands of NTD

Serial No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Details of Transactions		% of Consolidated Sales or Assets (Note 3)	
				Financial Statement Account	Amounts		
0	Yeong Guan Energy Technology Group Co., Ltd	Yeong Guan Holdings Co., Limited	1	Other Account Receivable — Related Party	\$ 129,287	Based on the parties' agreement	1%
1	Yeong Shang Casting Iron Company	Bright Steel Fine Machinery Company	3	Account Receivable — Related Party	50,505	Based on the parties' agreement	-
1	Yeong Shang Casting Iron Company	Yeong Chen Asia Pacific Company	3	Account Receivable — Related Party	258,948	Based on the parties' agreement	1%
1	Yeong Shang Casting Iron Company	Shanghai No. 1 Machine Tool Foundry Company	3	Account Receivable — Related Party	17,950	Based on the parties' agreement	-
1	Yeong Shang Casting Iron Company	Yeong Guan Energy Technology Group Co., Ltd	2	Other Account Receivable — Related Party	67,916	Based on the parties' agreement	-
1	Yeong Shang Casting Iron Company	Shanghai No. 1 Machine Tool Foundry Company	3	Other Account Receivable — Related Party	462,092	Based on the parties' agreement	2%
1	Yeong Shang Casting Iron Company	Shanghai No. 1 Machine Tool Foundry Company	3	Operating Revenue	16,230	Based on the parties' agreement	-
1	Yeong Shang Casting Iron Company	Bright Steel Fine Machinery Company	3	Operating Revenue	87,615	Based on the parties' agreement	2%
1	Yeong Shang Casting Iron Company	Yeong Chen Asia Pacific Company	3	Operating Revenue	486,684	Based on the parties' agreement	11%
2	Lu Lin Machine Tool Foundry Company	Yeong Shang Casting Iron Company	3	Account Receivable — Related Party	141,703	Based on the parties' agreement	1%
2	Lu Lin Machine Tool Foundry Company	Bright Steel Fine Machinery Company	3	Account Receivable — Related Party	84,533	Based on the parties' agreement	-
2	Lu Lin Machine Tool Foundry Company	Yeong Chen Asia Pacific Company	3	Account Receivable — Related Party	16,850	Based on the parties' agreement	-
2	Lu Lin Machine Tool Foundry Company	Shanghai No. 1 Machine Tool Foundry Company	3	Account Receivable — Related Party	47,660	Based on the parties' agreement	-
2	Lu Lin Machine Tool Foundry Company	Dongguan Yeong Guan Mould Factory Company	3	Other Account Receivable — Related Party	43,177	Based on the parties' agreement	-
2	Lu Lin Machine Tool Foundry Company	Shanghai No. 1 Machine Tool Foundry Company	3	Other Account Receivable — Related Party	263,330	Based on the parties' agreement	1%

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Serial No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Details of Transactions			
				Financial Statement Account	Amounts	Payment Terms	Payment Terms
2	Lu Lin Machine Tool Foundry Company	Shanghai No. 1 Machine Tool Foundry Company	3	Operating Revenue	47,160	Based on the parties' agreement	1%
2	Lu Lin Machine Tool Foundry Company	Yeong Shang Casting Iron Company	3	Operating Revenue	219,618	Based on the parties' agreement	5%
2	Lu Lin Machine Tool Foundry Company	Bright Steel Fine Machinery Company	3	Operating Revenue	130,577	Based on the parties' agreement	3%
2	Lu Lin Machine Tool Foundry Company	Yeong Chen Asia Pacific Company	3	Operating Revenue	32,072	Based on the parties' agreement	1%
3	Bright Steel Fine Machinery Company	Yeong Guan Holdings Co., Limited	3	Account Receivable— Related Party	31,669	Based on the parties' agreement	-
3	Bright Steel Fine Machinery Company	Yeong Chen Asia Pacific Company	3	Account Receivable— Related Party	73,468	Based on the parties' agreement	-
3	Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	3	Account Receivable— Related Party	14,637	Based on the parties' agreement	-
3	Bright Steel Fine Machinery Company	Ningbo Yeong Chia Mei Trade Company	3	Other Account Receivable — Related Party	42,834	Based on the parties' agreement	-
3	Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	3	Other Account Receivable — Related Party	439,194	Based on the parties' agreement	2%
3	Bright Steel Fine Machinery Company	Shanghai No. 1 Machine Tool Foundry Company	3	Operating Revenue	16,643	Based on the parties' agreement	-
3	Bright Steel Fine Machinery Company	Yeong Guan Holdings Co., Limited	2	Operating Revenue	26,822	Based on the parties' agreement	1%
3	Bright Steel Fine Machinery Company	Yeong Chen Asia Pacific Company	3	Operating Revenue	149,089	Based on the parties' agreement	3%
4	Dongguan Yeong Guan Mould Factory Company	Yeong Shang Casting Iron Company	3	Account Receivable — Related Party	58,572	Based on the parties' agreement	-
4	Dongguan Yeong Guan Mould Factory Company	Yeong Chen Asia Pacific Company	3	Account Receivable — Related Party	69,094	Based on the parties' agreement	-
4	Dongguan Yeong Guan Mould Factory Company	Yeong Shang Casting Iron Company	3	Operating Revenue	69,066	Based on the parties' agreement	2%
4	Dongguan Yeong Guan Mould Factory Company	Yeong Chen Asia Pacific Company	3	Operating Revenue	136,447	Based on the parties' agreement	3%
5	Ningbo Yeong Chia Mei Trade Company	Dongguan Yeong Guan Mould Factory Company	3	Account Receivable — Related Party	11,998	Based on the parties' agreement	-
5	Ningbo Yeong Chia Mei Trade Company	Yeong Shang Casting Iron Company	3	Account Receivable — Related Party	12,568	Based on the parties' agreement	-
5	Ningbo Yeong Chia Mei Trade Company	Dongguan Yeong Guan Mould Factory Company	3	Operating Revenue	10,859	Based on the parties' agreement	-

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Serial No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Details of Transactions			
				Financial Statement Account	Amounts	Payment Terms	
5	Ningbo Yeong Chia Mei Trade Company	Yeong Shang Casting Iron Company	3	Operating Revenue	71,212	Based on the parties' agreement	2%
5	Ningbo Yeong Chia Mei Trade Company	Bright Steel Fine Machinery Company	3	Operating Revenue	50,973	Based on the parties' agreement	1%
5	Ningbo Yeong Chia Mei Trade Company	Lu Lin Machine Tool Foundry Company	3	Operating Revenue	38,245	Based on the parties' agreement	1%
6	Shanghai No. 1 Machine Tool Foundry Company	Yeong Shang Casting Iron Company	3	Account Receivable — Related Party	35,525	Based on the parties' agreement	-
6	Shanghai No. 1 Machine Tool Foundry Company	Bright Steel Fine Machinery Company	3	Account Receivable — Related Party	147,590	Based on the parties' agreement	1%
6	Shanghai No. 1 Machine Tool Foundry Company	Yeong Chen Asia Pacific Company	3	Account Receivable — Related Party	62,558	Based on the parties' agreement	-
6	Shanghai No. 1 Machine Tool Foundry Company	Yeong Shang Casting Iron Company	3	Operating Revenue	35,816	Based on the parties' agreement	1%
6	Shanghai No. 1 Machine Tool Foundry Company	Bright Steel Fine Machinery Company	3	Operating Revenue	242,207	Based on the parties' agreement	5%
6	Shanghai No. 1 Machine Tool Foundry Company	Yeong Chen Asia Pacific Company	3	Operating Revenue	98,452	Based on the parties' agreement	2%

Note 1: 0 represents parent company, while serial numbers for subsidiaries start from 1 based on respective company categories.

Note 2: 1 represents transaction entered by parent company with subsidiary; 2 represents transaction entered by subsidiary with parent company; 3 represents transactions between subsidiaries.

Note 3: With respect to calculation for transaction amount's percentage of consolidated total revenue or total assets, asset/liability items are based on ending balance's percentage of consolidated total assets and liabilities, while income items are based on ending accumulated amount's percentage over consolidated total revenue.

Note 4: All transactions on aforementioned appendix have already been written-off when consolidated financial statements are prepared.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

Table 9

Yeong Guan Energy Technology Group Co., Ltd.

INFORMATION OF MAJOR SHAREHOLDERS

June 30, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chang Hsien-Ming	11,093,540	9.41%
Jiayuan Investment Co., Ltd.	8,432,000	7.15%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.