TMP STEEL CORPORATION AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

SEPTEMBER 30, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TMP Steel Corporation

Introduction

We have reviewed the accompanying consolidated balance sheet of TMP Steel Corporation and its subsidiary (the "Group") as of September 30, 2022, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month period then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Other matter – Scope of the review

The consolidated financial statements of the Group as of and for the nine-month period ended September 30, 2021 were reviewed by another firm of auditors whose report, dated November 11, 2021, expressed an unmodified conclusion on those statements.

	Tien, Chung-Yu
Independent Accountants	
	Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
October 28, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TMP STEEL CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

	Assets	Notes	September 30, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	September 30, 2021 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 382,720	17	$ 178,759	7	$ 262,744	15
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	-	-	35,621	2
1120	Financial assets at fair value through other comprehensive income - current	6(3)	-	-	-	-	63,786	4
1136	Financial assets at amortised cost - current	6(1)(4) and 8	142,811	6	186,995	8	160,018	9
1150	Notes receivable, net	6(5) and 7	91,136	4	88,445	4	36,341	2
1170	Accounts receivable, net	6(5) and 12	772,108	34	878,253	36	492,806	29
1180	Accounts receivable - related parties	6(5), 7 and 12	26	-	198,560	8	1,567	-
1200	Other receivables		437	-	311	-	3,905	-
130X	Inventories	6(6)	394,406	18	247,045	10	225,300	13
1410	Prepayments	6(7)	2,040	-	203,964	8	1,433	-
1476	Other current financial assets		293	-	-	-	-	-
11XX	**Total current assets**		1,785,977	79	1,982,332	81	1,283,521	74
	Non-current assets							
1600	Property, plant and equipment	6(9)(10) and 8	392,215	18	365,957	15	341,705	20
1755	Right-of-use assets	6(9)(10)	42,615	2	73,300	3	76,194	4
1780	Intangible assets		895	-	1,202	-	1,329	-
1840	Deferred income tax assets		3,554	-	4,454	-	4,579	-
1915	Prepayments for equipment		1,614	-	-	-	-	-
1920	Guarantee deposits paid		19,938	1	20,191	1	27,998	2
15XX	**Total non-current assets**		460,831	21	465,104	19	451,805	26
1XXX	**Total assets**		$ 2,246,808	100	$ 2,447,436	100	$ 1,735,326	100

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TMP STEEL CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of September 30, 2022 and 2021 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	September 30, 2021 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11) and 8	$ 96,572	4	$ 222,181	9	$ 30,000	2
2130	Contract liabilities - current		167,793	7	285,223	12	222,417	13
2150	Notes payable		11,398	1	25,194	1	12,107	1
2170	Accounts payable		4,969	-	485	-	420	-
2180	Accounts payable - related parties	7	238,083	11	513,470	21	194,290	11
2200	Other payables	6(12) and 7	57,273	3	68,327	3	35,476	2
2230	Current income tax liabilities		24,784	1	3,859	-	-	-
2280	Lease liabilities - current	6(10)	7,032	-	22,190	1	17,889	1
2320	Long-term liabilities, current portion	6(13)(14) and 8	318,253	14	307,903	12	264,184	15
2399	Other current liabilities		792	-	641	-	5,959	-
21XX	**Total current liabilities**		926,949	41	1,449,473	59	782,742	45
	Non-current liabilities							
2530	Corporate bonds payable	6(13) and 8	-	-	-	-	149,592	9
2540	Long-term borrowings	6(14) and 8	198,002	9	233,110	10	37,176	2
2580	Lease liabilities - non-current	6(10)	38,141	2	54,253	2	61,390	3
2640	Net defined benefit liabilities - non-current	6(15)	40	-	40	-	40	-
25XX	**Total non-current liabilities**		236,183	11	287,403	12	248,198	14
2XXX	**Total liabilities**		1,163,132	52	1,736,876	71	1,030,940	59
	Share capital							
3110	Common stock	6(13)(16)	607,115	27	457,115	19	457,115	27
3200	Capital surplus	6(13)(16)	295,146	13	145,039	6	145,626	9
	Retained earnings							
3310	Legal reserve		27,371	1	21,871	1	21,871	1
3320	Special reserve		5,110	-	5,110	-	5,110	-
3350	Unappropriated retained earnings		148,934	7	81,425	3	69,342	4
3400	Other equity interest	6(3)	-	-	-	-	5,322	-
3XXX	**Total equity**		1,083,676	48	710,560	29	704,386	41
	SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS	9						
3X2X	**Total liabilities and equity**		$ 2,246,808	100	$ 2,447,436	100	$ 1,735,326	100

The accompanying notes are an integral part of these consolidated financial statements.

TMP STEEL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(Reviewed, not audited)

			Three-month periods ended September 30,				Nine-month periods ended September 30,			
			2022		2021		2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	7	$ 1,941,541	100	$ 885,457	100	$ 4,979,765	100	$ 2,812,266	100
5000	Operating costs	6(6)(10)(15) and 7	(1,836,962)	(95)	(832,438)	(94)	(4,700,612)	(95)	(2,665,205)	(95)
5900	Net operating margin		104,579	5	53,019	6	279,153	5	147,061	5
	Operating expenses	6(10)(15) and 7								
6100	Selling expenses		(26,793)	(2)	(19,099)	(2)	(85,837)	(2)	(68,990)	(2)
6200	General and administrative expenses		(6,999)	-	(12,657)	(1)	(33,108)	-	(29,340)	(1)
6450	Expected credit gains	12	2,564	-	-	-	2,564	-	-	-
6000	Total operating expenses		(31,228)	(2)	(31,756)	(3)	(116,381)	(2)	(98,330)	(3)
6900	Operating profit		73,351	3	21,263	3	162,772	3	48,731	2
	Non-operating income and expenses									
7100	Interest income	6(4)	139	-	16	-	268	-	100	-
7010	Other income	6(2) and 7	2,092	-	122	-	3,347	-	712	-
7020	Other gains and losses	6(2)(10) and 12	983	-	(3,387)	(1)	3,021	-	11,030	-
7050	Finance costs	6(10) and 7	(2,883)	-	(3,230)	-	(9,062)	-	(9,021)	-
7000	Total non-operating income and expenses		331	-	(6,479)	(1)	(2,426)	-	2,821	-
7900	**Profit before income tax**		73,682	3	14,784	2	160,346	3	51,552	2
7950	Income tax expense		(15,042)	(1)	(3,837)	(1)	(32,483)	-	(8,632)	-
8200	**Net income for the period**		$ 58,640	2	$ 10,947	1	$ 127,863	3	$ 42,920	2
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains on valutation of investments in equity instruments measured at fair value through other comprehensive income	6(3)	$ -	-	$ 4,959	1	$ -	-	$ 5,454	-
8300	**Total other comprehensive income for the period**		$ -	-	$ 4,959	1	$ -	-	$ 5,454	-
8500	**Total comprehensive income for the period**		$ 58,640	2	$ 15,906	2	$ 127,863	3	$ 48,374	2
	Net income attributable to:									
8610	Owners of the parent		$ 58,640	2	$ 10,947	1	$ 127,863	3	$ 42,920	2
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 58,640	2	$ 15,906	2	$ 127,863	3	$ 48,374	2
	Earnings per share (in dollars)									
9750	Basic		$	0.97	$	0.30	$	2.52	$	1.31
9850	Diluted		$	0.82	$	0.25	$	2.11	$	1.04

The accompanying notes are an integral part of these consolidated financial statements.

TMP STEEL CORPORTION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Equity attributable to owners of the parent: Share capital - common stock	Capital surplus	Retained Earnings: Legal reserve	Special reserve	Unappropriated retained earnings	Other Equity: Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
For the nine-month period ended September 30, 2021								
Balance at January 1, 2021		$ 306,752	$ 6,117	$ 16,914	$ 5,110	$ 68,189	($ 132)	$ 402,950
Net income for the nine-month period ended September 30, 2021		-	-	-	-	42,920	-	42,920
Other comprehensive income for the nine-month period ended September 30, 2021	6(3)	-	-	-	-	-	5,454	5,454
Total comprehensive income for the nine-month period ended September 30, 2021		-	-	-	-	42,920	5,454	48,374
Distribution of 2020 net income:								
Legal reserve		-	-	4,957	-	(4,957)	-	-
Cash dividends		-	-	-	-	(36,810)	-	(36,810)
Issuance of common stock for cash	6(16)	150,000	135,000	-	-	-	-	285,000
Conversion of corporate bonds into common stock	6(13)(16)	363	628	-	-	-	-	991
Compensation cost of employee stock options		-	3,881	-	-	-	-	3,881
Balance at September 30, 2021		$ 457,115	$ 145,626	$ 21,871	$ 5,110	$ 69,342	$ 5,322	$ 704,386
For the nine-month period ended September 30, 2022								
Balance at January 1, 2022		$ 457,115	$ 145,039	$ 21,871	$ 5,110	$ 81,425	$ -	$ 710,560
Net income for the nine-month period ended September 30, 2022		-	-	-	-	127,863	-	127,863
Total comprehensive income for the nine-month period ended September 30, 2022		-	-	-	-	127,863	-	127,863
Distribution of 2021 net income:								
Legal reserve		-	-	5,500	-	(5,500)	-	-
Cash dividends		-	-	-	-	(54,854)	-	(54,854)
Issuance of common stock for cash	6(16)	150,000	150,000	-	-	-	-	300,000
Compensation cost of employee stock options		-	107	-	-	-	-	107
Balance at September 30, 2022		$ 607,115	$ 295,146	$ 27,371	$ 5,110	$ 148,934	$ -	$ 1,083,676

The accompanying notes are an integral part of these consolidated financial statements.

TMP STEEL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	For the nine-month periods ended September 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 160,346	$ 51,552
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets and liabilities at fair value through porfit or loss	6(2)	-	(11,193)
Unrealised foreign exchange (gain) loss		(800)	1,276
Expected credit gains	12	(2,564)	-
Depreciation	6(9)(10)	21,394	25,377
Gain from lease modification	6(10)	(918)	(182)
(Gain) loss on disposal of property, plant and equipment		(101)	34
Property, plant and equipment transferred to expenses	6(9)	730	-
Amortisation		407	648
Compensation cost of employee stock options		107	3,881
Interest income		(268)	(100)
Dividend income		-	(659)
Interest expense		9,062	9,021
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2,691)	58,977
Accounts receivable		108,709	28,794
Accounts receivable - related parties		198,534	2,123
Other receivables		(126)	(2,393)
Inventories		(147,361)	(85,814)
Prepayments		201,924	11,824
Changes in operating liabilities			
Contract liabilities - current		(117,430)	117,061
Notes payable		(13,796)	692
Accounts payable		4,484	106
Accounts payable - related parties		(275,387)	31,876
Other payables		(13,972)	(10,006)
Other current liabilities		151	5,731
Cash inflow generated from operations		130,434	238,626
Interest received		268	100
Dividends received		-	659
Interest paid		(4,548)	(4,221)
Income tax paid		(10,658)	(23,241)
Net cash flows from operating activities		115,496	211,923

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TMP STEEL CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	For the nine-month periods ended September 30, 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortised cost - current		$ 44,984	($ 61,693)
Increase in other current financial assets		(293)	-
Acquisition of financial assets at fair value through other comprehensive income - current		-	(54,939)
Cash paid for acquisition of property, plant and equipment		(38,460)	(80,840)
Proceeds from disposal of property, plant and equipment		150	295
Acquisition of intangible assets		(100)	(158)
Increase in prepayment for equipment		(1,614)	-
Decrease (increase) in guarantee deposits paid		253	(1,939)
Net cash flows from (used in) investing activities		4,920	(199,274)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		171,572	135,000
Decrease in short-term borrowings		(297,181)	(235,000)
Payment of lease liabilities		(6,720)	(17,579)
Increase in long-term borrowings		20,000	30,000
Decrease in long-term borrowings		(49,272)	(10,945)
Issuance of common stock for cash	6(16)	300,000	285,000
Payment of cash dividends		(54,854)	(36,810)
Net cash flows from financing activities		83,545	149,666
Net increase in cash and cash equivalents		203,961	162,315
Cash and cash equivalents at beginning of period	6(1)	178,759	100,429
Cash and cash equivalents at end of period	6(1)	$ 382,720	$ 262,744

The accompanying notes are an integral part of these consolidated financial statements.

TMP STEEL CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

1. HISTORY AND ORGANISATION

(1) TMP Steel Corporation (the “Company”) was incorporated on May 16, 1984 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C). The Company and its subsidiary (the “Group”) are primarily engaged in the wholesale of hardware and building materials and the manufacture and sales of its components.

(2) The Company used to be named Taipei MultiPower Electronics Co., Ltd., then changed its name to Taipei MultiPower International Co., Ltd., as approved by the shareholders during their meeting on June 15, 2000; On June 29, 2016, the shareholders during their meeting has approved to again change the Company’s name to TMP Steel Corporation.

(3) The common shares of the Company have been listed on the Taipei Exchange since September 2003.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These financial statements were reported to the Board of Directors on October 28, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (IASB)
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRSs 2018 - 2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

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

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies adopted are in agreement with Note 4 of the financial statements for the year ended December 31, 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

B. The consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2021.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Announcements recognised by the Financial Supervisory Commission, Republic of China (Taiwan) (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5, 'CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY'.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) September 30, 2022	Ownership (%) December 31, 2021	Ownership (%) September 30, 2021	Description
TMP Steel Corporation	Taiwan Steel Material Corp.	Wholesale of hardware and building	100.00	-	-	(Note)

(Note) Established in September, 2022.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income taxes

The interim period income tax expense is recognised based on the estimated average annual effective incometax rate expected for the full financial year applied to the pretax income of the interim period, and the relatedinformation is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

No significant changes during the period. For detailed information, refer to Note 5 in the financial statements for the year ended December 31, 2021.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash:			
Cash on hand	$ 112	$ 235	$ 298
Checking deposits and demand deposits	262,608	178,524	262,446
	262,720	178,759	262,744
Cash equivalents:			
Bills under repurchase agreement	120,000	-	-
	$ 382,720	$ 178,759	$ 262,744

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's time deposits pledged to others as collateral (listed as 'Financial assets at amortised cost - current') as of September 30, 2022, December 31, 2021 and September 30, 2021 are provided in Note 8, 'PLEDGED ASSETS'.

(2) Financial assets and liabilities at fair value through profit or loss - current

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ -	$ -	$ 29,112
Valuation adjustments	-	-	6,509
	$ -	$ -	$ 35,621

A. The Group recognised dividend income of $—, $90, $— and $659 (listed as 'Other income') for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively, in profit or loss in relation to the financial assets at fair value through profit or loss.

B. The Group recognised net (loss) gain of $—, ($3,484), $— and $11,193 (listed as "Other gains and losses") for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), 'Financial instruments'.

(3) Financial assets at fair value through other comprehensive income - current

	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Equity instruments			
Listed stocks	$ -	$ -	$ 58, 464
Valuation adjustments	-	-	5, 322
	$ -	$ -	$ 63, 786

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

B. The Group recognised $—, $4,959, $— and $5,454 in other comprehensive income for fair value change for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group has no financial assets at fair value through other comprehensive income pledged to others.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), 'Financial instruments'.

(4) Financial assets at amortised cost - current

	September 30, 2022	December 31, 2021	September 30, 2021
Demand deposits pledged	$ 136, 585	$ 161, 632	$ 134, 585
Time deposits pledged	6, 226	25, 363	25, 433
	$ 142, 811	$ 186, 995	$ 160, 018

A. Amounts recognised in profit or loss in relation to the current financial assets at amortised cost is as follows:

	For the three-month periods ended September 30,	
	2022	2021
Interest income	$ 39	$ 12

	For the nine-month periods ended September 30,	
	2022	2021
Interest income	$ 68	$ 46

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the carrying amount.

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, the financial assets at amortised cost pledged to others as collateral are provided in Note 8, 'PLEDGE ASSETS'.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2), 'Financial instruments'. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable, net

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ 91,149	$ 88,458	$ 36,354
Less: Allowance for uncollectible accounts	(13)	(13)	(13)
	$ 91,136	$ 88,445	$ 36,341
Accounts receivable	$ 796,138	$ 904,847	$ 519,734
Less: Allowance for uncollectible accounts	(24,030)	(26,594)	(26,928)
	$ 772,108	$ 878,253	$ 492,806

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable:			
During the credit period	$ 91,149	$ 88,458	$ 36,354
Accounts receivable:			
During the credit period	$ 734,551	$ 1,073,737	$ 483,031
Overdue 1 to 90 days	37,457	62	8,269
Overdue 91 to 180 days	50	2,955	3,015
Overdue 181 to 270 days	37	267	267
Overdue 271 to 365 days	28	309	-
Overdue over 365 days	24,041	26,077	26,719
	$ 796,164	$ 1,103,407	$ 521,301

The above ageing analysis was based on days overdue.

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $647,549.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

D. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group did not hold any collateral as security for notes and accounts receivable.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(6) Inventories

	September 30, 2022		
	Cost	Allowance for inventory valuation losses	Book value
Raw materials	$ 345,123	$ -	$ 345,123
Finished goods	49,283	-	49,283
	$ 394,406	$ -	$ 394,406

	December 31, 2021		
	Cost	Allowance for inventory valuation losses	Book value
Raw materials	$ 205,791	$ -	$ 205,791
Finished goods	41,254	-	41,254
	$ 247,045	$ -	$ 247,045

	September 30, 2021		
	Cost	Allowance for inventory valuation losses	Book value
Raw materials	$ 175,740	$ -	$ 175,740
Finished goods	49,560	-	49,560
	$ 225,300	$ -	$ 225,300

The cost of inventories recognised as expense for the period:

	For the three-month periods ended September 30,	
	2022	2021
Cost of goods sold	$ 1,836,962	$ 832,438

	For the nine-month periods ended September 30,	
	2022	2021
Cost of goods sold	$ 4,700,612	$ 2,665,205

(7) Prepayments

	September 30, 2022	December 31, 2021	September 30, 2021
Prepayments to suppliers	$ -	$ 202,316	$ 183
Others	2,040	1,648	1,250
	$ 2,040	$ 203,964	$ 1,433

(8) Investments accounted for using the equity method

A. Details of investment accounted for using the equity method are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Korea Peibo Electronics Co., Ltd.	$ 1,058	$ 1,058	$ 1,058
Less: Accumulated impairment	(1,058)	(1,058)	(1,058)
	$ -	$ -	$ -

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group has no investment accounted for using the equity method pledged to others.

C. For the three-month and nine-month periods ended September 30, 2022 and 2021, the Group did not recognise impairment loss or gain on reversal of impairment related to investments accounted for using the equity method. As of September 30, 2022, December 31, 2021 and September 30, 2021, the carrying amount of accumulated impairment loss of investments accounted for using the equity method was all $1,058.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2022								
Cost	$ 103,606	$ 699	$ 91,765	$ -	$ 6,065	$ 25,892	$ 170,879	$ 398,906
Accumulated depreciation	-	(15)	(24,563)	-	(1,679)	(5,638)	-	(31,895)
Accumulated impairment	-	-	(357)	-	(697)	-	-	(1,054)
	$ 103,606	$ 684	$ 66,845	$ -	$ 3,689	$ 20,254	$ 170,879	$ 365,957
For the nine-month period ended September 30, 2022								
At January 1	$ 103,606	$ 684	$ 66,845	$ -	$ 3,689	$ 20,254	$ 170,879	$ 365,957
Additions	-	4,098	2,812	804	2,964	71	30,629	41,378
Transfers (Note)	-	131,131	11,250	-	28,745	-	(171,856)	(730)
Depreciation	-	(2,015)	(7,181)	(82)	(3,055)	(2,008)	-	(14,341)
Disposals - Cost	-	-	-	(52)	-	-	-	(52)
- Accumulated depreciation	-	-	-	3	-	-	-	3
At September 30	$ 103,606	$ 133,898	$ 73,726	$ 673	$ 32,343	$ 18,317	$ 29,652	$ 392,215
At September 30, 2022								
Cost	$ 103,606	$ 135,928	$ 105,827	$ 752	$ 37,774	$ 25,963	$ 29,652	$ 439,502
Accumulated depreciation	-	(2,030)	(31,744)	(79)	(4,734)	(7,646)	-	(46,233)
Accumulated impairment	-	-	(357)	-	(697)	-	-	(1,054)
	$ 103,606	$ 133,898	$ 73,726	$ 673	$ 32,343	$ 18,317	$ 29,652	$ 392,215

(Note) Transferred to expenses.

	Land	Buildings	Machinery and equipment	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2021							
Cost	$ 103,606	$ 69	$ 81,586	$ 3,676	$ 23,939	$ 78,685	$ 291,561
Accumulated depreciation	-	(4)	(18,758)	(1,305)	(3,077)	-	(23,144)
Accumulated impairment	-	-	(357)	(735)	-	-	(1,092)
	$ 103,606	$ 65	$ 62,471	$ 1,636	$ 20,862	$ 78,685	$ 267,325
For the nine-month period ended September 30, 2021							
At January 1	$ 103,606	$ 65	$ 62,471	$ 1,636	$ 20,862	$ 78,685	$ 267,325
Additions	-	-	2,652	477	1,792	77,056	81,977
Transfers (Note)	-	-	179	-	-	-	179
Depreciation	-	(5)	(5,272)	(266)	(1,899)	-	(7,442)
Disposals - Cost	-	-	(1,175)	-	-	-	(1,175)
- Accumulated depreciation	-	-	841	-	-	-	841
At September 30	$ 103,606	$ 60	$ 59,696	$ 1,847	$ 20,755	$ 155,741	$ 341,705
At September 30, 2021							
Cost	$ 103,606	$ 69	$ 83,242	$ 4,153	$ 25,731	$ 155,741	$ 372,542
Accumulated depreciation	-	(9)	(23,189)	(1,571)	(4,976)	-	(29,745)
Accumulated impairment	-	-	(357)	(735)	-	-	(1,092)
	$ 103,606	$ 60	$ 59,696	$ 1,847	$ 20,755	$ 155,741	$ 341,705

(Note) Transferred from “Right-of-use assets”.

A. The Group's property, plant and equipment as of September 30, 2022, December 31, 2021 and September 30, 2021 were for its own use.

B. No interest expense was capitalised as part of property, plant and equipment for the three-month and nine-month periods ended September 30, 2022 and 2021.

C. Information about the property, plant and equipment that were pledged to others as collateral as of September 30, 2022, December 31, 2021 and September 30, 2021 is provided in Note 8, 'PLEDGED ASSETS'.

D. No impairment loss nor gain on reversal of impairment was recognised for the three-month and nine-month periods ended September 30, 2022 and 2021. As of September 30, 2022, December 31, 2021 and September 30, 2021, the carrying amount of accumulated impairment loss of property, plant and equipment were $1,054, $1,054 and $1,092, respectively.

(10) Leasing arrangements - lessee

A. The Group leases various assets including plant, buildings and transportation equipment. Rental contracts are typically made for periods of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. The carrying amount of right-of-use assets and the depreciation are as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Transportation equipment	$ 3,840	$ 5,092	$ 2,817
Buildings	38,775	68,208	73,377
	$ 42,615	$ 73,300	$ 76,194

	For the three-month periods ended September 30,	
	2022	2021
	Depreciation	Depreciation
Transportation equipment	$ 432	$ 333
Buildings	1,454	5,368
	$ 1,886	$ 5,701

	For the nine-month periods ended September 30,	
	2022	2021
	Depreciation	Depreciation
Transportation equipment	$ 1,404	$ 1,039
Buildings	5,649	16,896
	$ 7,053	$ 17,935

C. For the three-month and nine-month periods ended September 30, 2022 and 2021, the additions to right-of-use assets were $690, $921, $690 and $921, respectively.

D. The Group's reduced the amount of right-of-use assets due to early termination for leases were $ －, $－, $24,322 and $178 for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended September 30,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 174	$ 310
Expense on short-term lease contracts	6,698	816
Expense on leases of low-value assets	59	54

	For the nine-month periods ended September 30,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 572	$ 992
Expense on short-term lease contracts	17,622	1,629
Expense on leases of low-value assets	152	156
Gain from lease modification	(918)	(182)

F. The Group's total cash outflow for leases were $8,702, $6,816, $25,066 and $20,356 for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

(11) Short-term borrowings

Type of borrowings	September 30, 2022	Interest rate range	Collateral
Secured bank borrowings	$ 96,572	4.18%～4.20%	Demand deposits

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Secured bank borrowings	$ 170,000	1.25%～1.60%	Demand and time deposits
Unsecured bank borrowings	52,181	1.63%	None
	$ 222,181		

Type of borrowings	September 30, 2021	Interest rate range	Collateral
Secured bank borrowings	$ 30,000	1.32%	Demand and time deposits

Information about interest expenses recognised in profit or loss for the three-month and nine-month periods ended September 30, 2022 and 2021 is provided in Note 6(24), 'Finance costs'.

(12) Other payables

	September 30, 2022	December 31, 2021	September 30, 2021
Accrued shipping fees	$ 20,088	$ 18,176	$ 11,354
Accrued salaries and bonuses	10,589	14,302	11,175
Equipment payable	4,436	1,518	1,137
Accrued manufacturing fees	11,914	9,108	7,394
Accrued employees' compensation and directors' remuneration	2,521	3,520	872
Taxes payable	846	939	507
Accrued import fees	13	11,515	-
Others	6,866	9,249	3,037
	$ 57,273	$ 68,327	$ 35,476

(13) Bonds payable

	September 30, 2022	December 31, 2021	September 30, 2021	Collateral
Second domestic secured convertible corporate bonds	$ 152,699	$ 150,369	$ 149,592	Demand deposits
Third domestic unsecured convertible corporate bonds	129,348	127,164	148,573	—
	282,047	277,533	298,165	
Less: Current portion	(282,047)	(277,533)	(148,573)	
	$ -	$ -	$ 149,592	

A. In November 2019, the Company issued the second domestic secured convertible bonds and the third domestic unsecured convertible bonds. The significant terms are as follows:

(a) The terms of the second domestic secured convertible bonds issued by the Company are as follows:

i. The Company issued $150,000 (related issuance cost was $4,930), 0% second domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (November 8, 2019 ~ November 8, 2022) and will be redeemed in cash at 101.51% of face value at the maturity date.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (February 9, 2020) to the maturity date (November 8, 2022), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value after the following events occur: (i) the closing price of the Company's common shares on the Taipei Exchange is above the then conversion price by 30% or more for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (February 9, 2020) to 40 days before the maturity date (September 29, 2022). Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

v. The bonds are guaranteed by Entie Commercial Bank (the "Guarantor"). The guarantee period is from the date on which all proceeds from issuing bonds are collected to the date of settlement of all liabilities such as principal and interest payable under the terms of the bonds. The guarantee covers the obligations owed by the primary obligor such as outstanding principal and interest payable under the bonds.

(b) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $150,000 (related issuance cost was $2,570), 0% third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (November 11, 2019 ~ November 11, 2022) and will be redeemed in cash at 102.27% of face value at the maturity date.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (February 9, 2020) to the maturity date (November 8, 2022), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value after the following events occur: (i) the closing price of the Company's common shares on the Taipei Exchange is above the then conversion price by 30% or more for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue (February 12, 2022) to 40 days before the maturity date (October 1, 2022).

v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. For the nine-month period ended September 30, 2021, bonds with a par value of NT$10,000 thousand have been converted into 36 thousand shares of the company (listed as "Common Stock" of $363 and "Capital surplus-additional paid-in capital" of $654). There was no such situation for the nine-month period ended September 30, 2022.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to $5,920 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. As of September 30, 2022, December 31, 2021 and September 30, 2021, the balances of aforementioned 'capital surplus - share options' after writing off the bonds repurchased by the Company and conversion options exercised by creditors in accordance with the terms of the bonds amounted to $5,307, $5,307 and $5,894, respectively. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'non-current financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 2.077%.

D. Information about interest expenses recognised in profit or loss for the nine-month periods ended September 30, 2022 and 2021 is provided in Note 6(24), 'Financial costs'.

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2022
Secured borrowings	2018.10～2031.12	1.25%～2.11%	Demand deposits, time deposits, land and buildings	$ 234,208
Less: Current portion of long-term borrowings				(36,206)
				$ 198,002

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2021
Secured borrowings	2018.10～2031.12	0.75%～1.61%	Demand deposits, time deposits, land, construction in process	$ 263,480
Less: Current portion of long-term borrowings				(30,370)
				$ 233,110

Type of borrowings	Borrowing period	Interest rate range	Collateral	September 30, 2021
Secured borrowings	2018.10～2026.6	1.25%～1.61%	Time deposties, demand deposits, land	$ 152,787
Less: Current portion of long-term borrowings				(115,611)
				$ 37,176

Information about interest expenses recognised in profit or loss for the three-month and nine-month periods ended September 30, 2022 and 2021 is provided in Note 6(24), 'Finance costs'.

(15) Pensions

A. The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

The Group has no employees who are subject to the pension plan under the Labor Standards Act since September 2020, and has temporarily suspended the contribution to the labor pension reserve until February 2023 as approved by the Taipei City Government, Bureau of Labor.

B. Effective July 1, 2005, the Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group were $657, $499, $1,888 and $1,450 for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

(16) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the nine-month periods ended September 30,	
	2022	2021
Beginning balance	45,711	30,675
Issuance of common stock for cash	15,000	15,000
Conversion of convertible corporate bonds into common stock	-	36
Ending balance	60,711	45,711

B. During its meeting on March 10, 2022, the Board of Directors meetings of the Company resolved to raise additional cash through the issuance of 15 million new shares, which has been approved by the Securities and Futures Bureau, Financial Supervisory Commission. The shares were issued at a premium of $20 (in dollars) per share, totaling $300,000, with effective date set on June 30, 2022. The change of registration was completed on August 3, 2022.

C. During its meeting on March 11, 2021 and July 27, 2021, the Board of Directors of the Company resolved to raise additional cash through the issuance of 15 million new shares, which has been approved by the Securities and Futures Bureau, Financial Supervisory Commission. The shares were issued at a premium of $19 (in dollars) per share, totaling $285,000, with effective date set on August 26, 2021. The change of registration was completed on November 16, 2021.

D. Information about the requests for conversion of convertible corporate bonds for the nine-month period ended September 30, 2021 is provided in Note 6(13), 'Bonds payable'.

E. As of September 30, 2022, the Company's authorised capital was $1,500,000, and the paid-in capital was $607,115 consisting of 60,711 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share, which were issued in several installments. All proceeds from shares issued have been collected.

(17) Capital surplus

	For the nine-month period ended September 30, 2022			
	Share premium	Stock option	Others	Total
Beginning balance	$ 139,535	$ 5,307	$ 197	$ 145,039
Issuance of common stock for cash	150,000	-	-	150,000
Compensation cost of employee stock options	107	-	-	107
Ending balance	$ 289,642	$ 5,307	$ 197	$ 295,146

	For the nine-month period ended September 30, 2021			
	Share premium	Stock option	Others	Total
Beginning balance	$ -	$ 5,920	$ 197	$ 6,117
Issuance of common stock for cash	135,000	-	-	135,000
Conversion of corporate bonds into common stock	654	(26)	-	628
Compensation cost of employee stock options	3,881	-	-	3,881
Ending balance	$ 139,535	$ 5,894	$ 197	$ 145,626

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Information for the compensation cost of employee stock options is provided in Note 6(18), 'Share-based payments'.

(18) Share-based payments

A. During its meeting on March 10, 2022, the Board of Directors of the Company resolved to raise additional cash by issuing new shares, of which 2,250 thousand shares were reserved for employee preemption, with the effective date set on May 25, 2022 and the subscription price of $20 (in dollars) per share. The compensation cost recognised by the Company due to the aforementioned cash capital increase reserved for employee preemption amounted to $107 (corresponding account shown as 'capital surplus - share options'). The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Grant date	May 25, 2022
Share price (in dollars)	$ 21.95
Exercise price (in dollars)	20.00
Dividend yield	0%
Expected price volatility	31.65%
Risk-free interest rate	0.61%
Expected duration	0.09 years
Fair value in dollar (per share)	$ 2.14 (in dollars)

B. During its meeting on March 11, 2021 and July 27, 2021, the Board of Directors of the Company resolved to raise additional cash by issuing new shares, of which 2,250 thousand shares were reserved for employee preemption, with the effective date set on July 28, 2021 and the subscription price of $19 (in dollars) per share. The compensation cost recognised by the Company due to the aforementioned cash capital increase reserved for employee preemption amounted to $3,881 (corresponding account shown as 'capital surplus - share options'). The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Grant date	July 28, 2021
Share price (in dollars)	$ 24.20
Exercise price (in dollars)	19.00
Dividend yield	0%
Expected price volatility	37.60%
Risk-free interest rate	0.15%
Expected duration	0.066 years
Fair value in dollar (per share)	$ 5.21 (in dollars)

(19) Retained earnings

A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve equals to the paid-in capital, the appropriation is not required. After that, a special reserve shall be set aside or reversed in accordance with Article 41 of the Securities and Exchange Act. The remaining earnings plus the accumulated unappropriated earnings shall be proposed by the Board of Directors to be resolved at the shareholders' meeting as dividends to shareholders.

The Company's dividend policy is in line with current and future development plans, and takes into consideration investment environment, capital requirements, domestic and overseas competition, and shareholders' interest, etc. At least 1% of the Company's distributable earnings of the year shall be appropriated as dividends and bonuses each year. However, the distribution is not required if the accumulated distributable earnings is lower than 1% of paid-in capital. Dividends and bonuses may be distributed in the form of cash or shares, and cash dividends shall account for at least 10% of the total dividends distributed. However, the type and payout ratio of dividend may be adjusted by the resolution of the shareholders during their meeting according to the actual profit and capital position of the year.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. During their meeting on April 28, 2022 and July 2, 2021, the stockholders resolved that distribution of cash dividends from the 2021 and 2010 earnings in the amount of $54,854 ($1.2 (in dollars) per share) and $36,810 ($1.2 (in dollars) per share), respectively. Information about the distribution of dividends by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Operating revenue

	For the three-month periods ended September 30,	
	2022	2021
Sales revenue	$ 1,932,980	$ 880,997
Processing revenue	8,561	4,460
	$ 1,941,541	$ 885,457

	For the nine-month periods ended September 30,	
	2022	2021
Sales revenue	$ 4,957,433	$ 2,795,019
Processing revenue	22,332	17,247
	$ 4,979,765	$ 2,812,266

A. The Group derives sales revenue from the transfer of goods at a point in time and processing revenue from rendering services over time.

B. The Group has recognised the following revenue-related contract liabilities:

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Contract liabilities				
- current				
Advance sales receipts	$ 167,793	$ 285,223	$ 222,417	$ 105,356

Revenue recognised for the three-month and nine-month periods ended September 30, 2022 and 2021 that was included in the contract liability balance as of January 1, 2022 and 2021 amounted to $39,512, $9,668, $230,532 and $82,189, respectively.

(21) Interest income

	For the three-month periods ended September 30,	
	2022	2021
Interest income from bank deposits	$ 41	$ 13
Other interest income	98	3
	$ 139	$ 16

	For the nine-month periods ended September 30,	
	2022	2021
Interest income from bank deposits	$ 166	$ 93
Other interest income	102	7
	$ 268	$ 100

(22) Other income

	For the three-month periods ended September 30,	
	2022	2021
Rental income	$ 151	$ -
Dividend income	-	90
Other income	1,941	32
	$ 2,092	$ 122

	For the nine-month periods ended September 30,	
	2022	2021
Rental income	$ 536	$ -
Dividend income	-	659
Other income	2,811	53
	$ 3,347	$ 712

(23) Other gains and losses

	For the three-month periods ended September 30,	
	2022	2021
Net loss on financial assets and liabilities at fair value through profit or loss	$ -	($ 3,484)
Net loss on disposal of property, plant and equipment	-	(27)
Net currency exchange gain (loss)	983	(8)
Other gains	-	132
	$ 983	($ 3,387)

	For the nine-month periods ended September 30,	
	2022	2021
Net gain on financial assets and liabilities at fair value through profit or loss	$ -	$ 11,193
Net gain (loss) on disposal of property, plant and equipment	101	(34)
Gain from lease modification	918	182
Net currency exchange gain (loss)	2,064	(282)
Other losses	(62)	(29)
	$ 3,021	$ 11,030

(24) Finance costs

	For the three-month periods ended September 30,	
	2022	2021
Interest expense:		
Convertible corporate bonds	$ 1,530	$ 1,622
Bank borrowings	1,179	1,298
Lease liabilities	174	310
	$ 2,883	$ 3,230

	For the nine-month periods ended September 30,	
	2022	2021
Interest expense:		
Convertible corporate bonds	$ 4,514	$ 4,800
Bank borrowings	3,976	3,229
Lease liabilities	572	992
	$ 9,062	$ 9,021

(25) Expenses by nature

	For the three-month period ended September 30, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 9,913	$ 7,485	$ 17,398
Depreciation	5,535	1,221	6,756
Amortisation	52	85	137
	$ 15,500	$ 8,791	$ 24,291

	For the three-month period ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 6,219	$ 11,781	$ 18,000
Depreciation	7,376	849	8,225
Amortisation	47	171	218
	$ 13,642	$ 12,801	$ 26,443

	For the nine-month period ended September 30, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 25,016	$ 35,688	$ 60,704
Depreciation	17,532	3,862	21,394
Amortisation	149	258	407
	$ 42,697	$ 39,808	$ 82,505

	For the nine-month period ended September 30, 2021		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 18,652	$ 31,371	$ 50,023
Depreciation	22,786	2,591	25,377
Amortisation	131	517	648
	$ 41,569	$ 34,479	$ 76,048

(26) Employee benefit expense

	For the three-month period ended September 30, 2022		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 8,312	$ 5,205	$ 13,517
Labour and health insurance expenses	616	907	1,523
Pension costs	242	415	657
Other personnel expenses	743	958	1,701
	$ 9,913	$ 7,485	$ 17,398

	For the three-month period ended September 30, 2021		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 5,266	$ 6,435	$ 11,701
Compensation cost of employee stock options	-	3,881	3,881
Labour and health insurance expenses	368	649	1,017
Pension costs	184	315	499
Other personnel expenses	401	501	902
	$ 6,219	$ 11,781	$ 18,000

	For the nine-month period ended September 30, 2022		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 20,807	$ 29,323	$ 50,130
Compensation cost of employee stock options	-	107	107
Labour and health insurance expenses	1,692	2,551	4,243
Pension costs	693	1,195	1,888
Other personnel expenses	1,824	2,512	4,336
	$ 25,016	$ 35,688	$ 60,704

	For the nine-month period ended September 30, 2021		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 15,851	$ 23,046	$ 38,897
Compensation cost of employee stock options	-	3,881	3,881
Labour and health insurance expenses	1,082	1,929	3,011
Pension costs	527	923	1,450
Other personnel expenses	1,192	1,592	2,784
	$ 18,652	$ 31,371	$ 50,023

A. The Company's distributable profit of the year (the distributable profit refers to profit before deducting tax and the employees' compensation and directors' and supervisors' remuneration below), if any, shall be used to cover accumulated deficit, and the reminder, if any, is distributed as follows: (a) 1% ~ 10% for employees' compensation, and (b) No higher than 4% for directors' and supervisors' remuneration. The aforementioned employees' compensation can be distributed in the form of stocks or cash. The employees include the employees of the Company's subsidiaries who meet the requirements stipulated by the Board of Directors. The aforementioned directors' and supervisors' remuneration can only be distributed in the form of cash. Both distributions shall be proposed by the Remuneration Committee to the Board of Directors. The Board of Directors shall resolve the distributions by approval of more than half of directors present at a meeting where more than two-thirds of the directors are in attendance, and report the resolution at the shareholders' meeting.

B. For the three-month and nine-month periods ended September 30, 2022 and 2021, employees' compensation were (reversed) accrued at ($705), $151, $1,564 and $526, respectively; while directors' remuneration were (reversed) accrued at ($857), $151, $957 and $526, respectively. The aforementioned amounts were recognised in salary expenses, and were estimated and accrued based on the percentage prescribed by the Company's Articles of Incorporation, depending on distributable profit of the year. The employees' compensation and directors' and supervisors' remuneration for 2021 resolved by the Board of Directors on May 12, 2022 totaled

$3,520, and the employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Components of income tax expense:

	For the three-month periods ended September 30,	
	2022	2021
Current income tax:		
Current tax on profit for the period	$ 14,328	$ 4,180
Deferred tax:		
Origination and reversal of temporary differences	714	(343)
Income tax expense	$ 15,042	$ 3,837

	For the nine-month periods ended September 30,	
	2022	2021
Current income tax:		
Current tax on profit for the period	$ 31,581	$ 8,768
Under (over) provisin of prior year's income tax	2	(2)
Total current income tax	31,583	8,766
Deferred tax:		
Origination and reversal of temporary differences	900	(134)
Income tax expense	$ 32,483	$ 8,632

B. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of October 28, 2022.

(28) Earnings per share

	For the three-month period ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 58,640	60,711	$ 0.97
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 58,640	60,711	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	27	
Convertible corporate bonds	1,223	11,979	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 59,863	72,717	$ 0.82

	For the three-month period ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 10,947	36,581	$ 0.30
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 10,947	36,581	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	7	
Convertible corporate bonds	1,299	11,984	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 12,246	48,572	$ 0.25

	For the nine-month period ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 127,863	50,821	$ 2.52
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 127,863	50,821	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	94	
Convertible corporate bonds	3,610	11,428	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 131,473	62,343	$ 2.11

	For the nine-month period ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 42,920	32,665	$ 1.31
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 42,920	32,665	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	39	
Convertible corporate bonds	3,841	12,226	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 46,761	44,930	$ 1.04

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the nine-month periods ended September 30, 2022	2021
Acquisition of property, plant and equipment	$ 41,378	$ 81,977
Add: Beginning balance of equipment payable	1,518	–
Less: Ending balance of equipment payable	(4,436)	(1,137)
Cash paid for acquisition of property, plant and equipment	$ 38,460	$ 80,840

B. Investing activities with no cash flow effects:

	For the nine-month periods ended September 30, 2022	2021
Right-of-use assets transferred to property, plant and equipment	$ –	$ 179

(30) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2022	$222,181	$ 76,443	$ 277,533	$ 263,480	$ 839,637
Changes in cash flow from financing activities	(125,609)	(6,720)	–	(29,272)	(161,601)
Changes in other non-cash items	–	(24,550)	4,514	–	(20,036)
At September 30, 2022	$ 96,572	$ 45,173	$ 282,047	$ 234,208	$ 658,000

	Short-term borrowings	Lease liabilities	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Liabilities from financing activities
At January 1, 2021	$130,000	$ 96,119	$ 294,356	$ 133,732	$ 654,207
Changes in cash flow from financing activities	(100,000)	(17,579)	–	19,055	(98,524)
Changes in other non-cash items	–	739	3,809	–	4,548
At September 30, 2021	$ 30,000	$ 79,279	$ 298,165	$ 152,787	$ 560,231

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
E-Top Metal Co., Ltd. (E-Top Metal)	Significant influence to the Company
Yih Dar Lih Steel Corporation (Yih Dar Lih Steel)	Other related party
Fu Sheng Transport Co., Ltd. (Fu Sheng)	Other related party
E-Sheng Steel Co., Ltd. (E-Sheng Steel)	Other related party
TSG Transport Corp. (TSG Transport)	Other related party
TSG Power Corp. (TSG Power)	Other related party

(2) Significant related party transactions

A. Sales of goods

	For the three-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 152,290	$ 682
E-Sheng Steel	152,290	–
Other related parties	18	2,841
	$ 304,598	$ 3,523

	For the nine-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 161,855	$ 2,079
E-Sheng Steel	337,057	–
Other related parties	298	12,524
	$ 499,210	$ 14,603

Prices of goods sold to related parties and non-related parties are determined based on mutual agreement at each time, and the credit term is 60 days after monthly-closing, T/T. For third parties, the credit terms ranged from 30 to 90 days after monthly-closing.

B. Purchases of goods

	For the three-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 1,082,068	$ 584,617
E-Sheng Steel	398,347	218,039
Other related parties	1,886	1,066
	$ 1,482,301	$ 803,722

	For the nine-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 3,163,747	$ 1,875,518
E-Sheng Steel	943,348	714,899
Other related parties	7,247	4,780
	$ 4,114,342	$ 2,595,197

Purchase prices from related parties were the same with third parties. Payment terms of some purchases from related parties were 10 to 20 days or 60 days after monthly-closing, T/T. For third parties, the payment terms were full prepayment, by issuance of letter of credit or credit terms ranging from 30 to 90 days after monthly-closing.

C. Other expenses

	For the three-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 1,500	$ 1,351
E-Sheng Steel	2,377	1,033
Other related parties	3,165	21
	$ 7,042	$ 2,405

	For the nine-month periods ended September 30,	
	2022	2021
E-Top Metal	$ 4,529	$ 3,415
E-Sheng Steel	5,663	2,781
Other related parties	3,350	2,177
	$ 13,542	$ 8,373

D. Rental income (listed as 'Other income')

	Leased assets	Rent determination method	Rent collection method	For the three-month periods ended September 30, 2022	2021
Other related parties	Buildings and structures	Floating	Monthly	$ 151	$ –

	Leased assets	Rent determination method	Rent collection method	For the nine-month periods ended September 30, 2022	2021
Other related parties	Buildings and structures	Floating	Monthly	$ 536	$ –

E. Ending balance of goods sold

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable:			
Yih Dar Lih Steel	$ –	$ 235	$ 1,633
E-Top Metal	–	–	116
	$ –	$ 235	$ 1,749

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable:			
E-Top Metal	$ –	$ 198,393	$ 167
Yih Dar Lih Steel	26	167	1,400
	$ 26	$ 198,560	$ 1,567

F. Ending balance of goods purchased

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payable:			
E-Top Metal	$ 203,116	$ 459,718	$ 154,736
E-Sheng Steel	33,446	53,752	39,554
Other related parties	1,521	–	–
	$ 238,083	$ 513,470	$ 194,290

G. Other payables

	September 30, 2022	December 31, 2021	September 30, 2021
E-Top Metal	$ 525	$ 662	$ 877
E-Sheng Steel	609	981	263
Other related parties	3,429	15,407	1,021
	$ 4,563	$ 17,050	$ 2,161

H. Assets transaction

	For the three-month periods ended September 30,	
	2022	2021
Other related parties	$ –	$ –

	For the nine-month periods ended September 30,	
	2022	2021
Other related parties	$ 52	$ –

I. Lease transaction – leasee

(1) The Group rented plants from E-Top Metal, with the contract term starting from August 2015 to July 2020. The new contract term was then extended to July 2021. The rent was paid monthly.

(2) Interest expenses recognised for the three-month and nine-month periods ended September 30, 2022 and 2021 were $－, $－, $－, and $8 (listed as ‘Financial cost’), respectively.

(3) Key management compensation

	For the three-month periods ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	$ 2,648	$ 3,004
Post-employment benefits	85	97
	$ 2,733	$ 3,101

	For the nine-month periods ended September 30,	
	2022	2021
Salaries and other short-term employee benefits	$ 10,051	$ 8,533
Post-employment benefits	285	265
	$ 10,336	$ 8,798

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	September 30, 2022	December 31, 2021	September 30, 2021	Purpose
Demand deposits (Note 1)	$ 136,585	$ 161,632	$ 134,585	Bank borrowings, bonds payable and letters of credit
Time deposits (Note 1)	6,226	25,363	25,433	Short-term and long-term borrowings
Land (Note 2)	103,606	103,606	103,606	Guarantee for long-term borrowings
Buildings (Note 2)	133,251	-	-	Guarantee for long-term borrowings
Construction in progress (Note 2)	-	131,773	-	Guarantee for long-term borrowings
	$ 379,668	$ 422,374	$ 263,624	

(Note 1) Listed as 'Financial assets at amortised cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

As of September 30, 2022, December 31, 2021 and September 30, 2021, the unused letters of credit for the purchase of raw materials amounted to $－, $200,086 and $－, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ -	$ 35,621
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ -	$ -	$ 63,786
Financial assets at amortised cost			
Cash and cash equivalents	$ 382,720	$ 178,759	$ 262,744
Financial assets at amortised cost	142,811	186,995	160,018
Notes receivable	91,136	88,445	36,341
Accounts receivable (including related parties)	772,134	1,076,813	494,373
Other receivables	437	311	3,905
Guarantee deposits paid (including other current financial assets)	20,231	20,191	27,998
	$ 1,409,469	$ 1,551,514	$ 985,379
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 96,572	$ 222,181	$ 30,000
Notes payable	11,398	25,194	12,107
Accounts payable (including related parties)	243,052	513,955	194,710
Other payables	57,273	68,327	35,476
Corporate bonds payable (including current portion)	282,047	277,533	298,165
Long-term borrowings (including current portion)	234,208	263,480	152,787
	$ 924,550	$ 1,370,670	$ 723,245
Lease liabilities	$ 45,173	$ 76,443	$ 79,279

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments are used to hedge certain risk.

(b) Risk management is carried out by a treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group has certain purchases denominated in USD. Changes in market exchange rates would affect the fair value. However, the payment and collection periods of assets and liability positions in foreign currencies are close, thus market risk can be offset. The Group does not expect significant foreign exchange risk.

ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 587	31.75	$ 18,637
Financial liabilities			
Monetary items			
USD:NTD	3,395	31.75	107,791

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 7,702	27.67	$ 213,114
Financial liabilities			
Monetary items			
USD:NTD	1,882	27.67	52,075

	September 30, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 442	27.85	$ 12,318

With regard to sensitivity analysis of foreign currency exchange rate risk, if exchange rate of NTD had appreciated/depreciated by 1% against USD with all other variables held constant, the post-tax profit would increase/decrease by $608, $－, $713 and $123 for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

iii. The total exchange loss (gain), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group amounted to $983, ($8), $2,064 and ($282) for the three-month and nine-month periods ended September 30, 2022 and 2021, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit would have increased/decreased by $－ and $356 for the nine-month periods ended September 30, 2022 and 2021, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $－ and $638, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest risk. During the nine-month periods ended September 30, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD.

ii. With regard to sensitivity analysis of interest rate risk, if interest rate on borrowing increased/decreased by 10% with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2022 and 2021 would have decreased/increased by $32 and $26, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. In line with credit risk management, if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default has occurred when past due over a certain period.

vi. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2022, December 31, 2021 and September 30, 2021, the provision matrix is as follows:

September 30, 2022	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	$ 734, 551	$ 37, 457	$ 50	$ 37
Expected credit rate	0. 02%	0. 48%	17. 53%	21. 26%
Loss allowance	$ -	$ -	$ -	$ -

September 30, 2022	Overdue 271~365 days	Overdue over 365 days	Individually assessed impairment loss	Total
Total book value	$ 28	$ 227	$ 23, 814	$ 796, 164
Expected credit rate	30. 33%	100%	100%	
Loss allowance	$ -	$ 216	$ 23, 814	$ 24, 030

December 31, 2021	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	$ 1,073,737	$ 62	$ 2,955	$ 267
Expected credit rate	0.02%	0.03%	6.17%	12.89%
Loss allowance	$ 53	$ -	$ 121	$ 34

December 31, 2021	Overdue 271~365 days	Overdue over 365 days	Individually assessed impairment loss	Total
Total book value	$ -	$ 7	$ 26,379	$ 1,103,407
Expected credit rate	28.14%	100%	100%	
Loss allowance	$ -	$ 7	$ 26,379	$ 26,594

September 30, 2021	During the credit period	Overdue 1~90 days	Overdue 91~180 days	Overdue 181~270 days
Total book value	$ 483,031	$ 8,269	$ 3,015	$ 267
Expected credit rate	0.02%	0.03%	6.17%	12.89%
Loss allowance	$ 174	$ 8	$ 27	$ -

September 30, 2021	Overdue 271~365 days	Overdue over 365 days	Individually assessed impairment loss	Total
Total book value	$ -	$ 7	$ 26,712	$ 521,301
Expected credit rate	28.14%	100%	100%	
Loss allowance	$ -	$ 7	$ 26,712	$ 26,928

v. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the nine-month period ended September 30, 2022		
	Notes receivable	Accounts receivable	Total
Beginning balance	$ 13	$ 26,594	$ 26,607
Reversal of impairment loss	-	(2,564)	(2,564)
Ending balance	$ 13	$ 24,030	$ 24,043

	For the nine-month period ended September 30, 2021		
	Notes receivable	Accounts receivable	Total
Beginning and ending balance	$ 13	$ 26,928	$ 26,941

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants.

ii. The Group has the following undrawn borrowing facilities:

	September 30, 2022	December 31, 2021	September 30, 2021
Floating rate:			
Expiring within one year	$ 215,600	$ 50,835	$ 44,228

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 98,561	$ -	$ -	$ -
Notes payable	11,398	-	-	-
Accounts payable (including related parties)	243,052	-	-	-
Other payables	57,273	-	-	-
Lease liabilities	7,660	7,245	20,891	11,600
Bonds payable (including current portion)	282,688	-	-	-
Long-term borrowings (including current portion)	39,654	32,776	86,748	89,888

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 223, 147	$ –	$ –	$ –
Notes payable	25, 194	–	–	–
Accounts payable (including related parties)	513, 955	–	–	–
Other payables	68, 327	–	–	–
Lease liabilities	23, 172	18, 888	20, 916	16, 580
Bonds payable (including current portion)	282, 688	–	–	–
Long-term borrowings (including current portion)	63, 504	60, 152	119, 277	121, 460

September 30, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 30, 396	$ –	$ –	$ –
Notes payable	12, 107	–	–	–
Accounts payable (including related parties)	194, 710	–	–	–
Other payables	35, 476	–	–	–
Lease liabilities	22, 616	12, 101	36, 304	13, 100
Bonds payable (including current portion)	149, 000	150, 750	–	–
Long-term borrowings (including current portion)	116, 416	37, 976	–	–

vi. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost-current, notes receivable, accounts receivable (including related parties), other receivables, other financial assets-current, guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables, bonds payable (including current portion) and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at September 30, 2021 is as follows:

September 30, 2021	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 35,621	$ -	$ -	$ 35,621
Financial assets at fair value through other comprehensive income				
Equity securities	63,786	-	-	63,786
	$ 99,407	$ -	$ -	$ 99,407

There was no financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets as of September 30, 2022 and December 31, 2021.

The methods and assumptions the Group used to measure fair value are as follows:

(a)For Level 1 instruments, the Group used closing price as the fair values of listed shares.

(b)Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

(c)The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk or liquidity risk of counterparties. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. Valuation techniques and inputs applied for Level 3 fair value measurement are as follows:
The fair value of puttable and redemption right of convertible corporate bonds is estimated by using the binomial tree model, and significant unobservable inputs are used the volatility of the stock price. When the share price volatility increases, the fair price of the derivatives will also increase.

E. For the nine-month periods ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2, and there was no transfer from or to Level 3.

(4) Others

Due to the Covid-19 pandemic and the implementation of the government's various preventive measures, the Group thoroughly complied with the "Guidelines for Enterprise Planning of Business Continuity in Response to the Coronavirus Disease 2019". Each department is operating as usual, and the pandemic has no significant impact on the Group.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month period ended September 30, 2022.

(1) Significant transactions information

A. Loans to others : None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: Refer to Table 1.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 2.

G. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Trading in derivative instruments undertaken during the reporting period: None.

I. Significant inter-company transactions during the reporting period: None

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 3.

(3) Information on investments in Mainland China

As of September 30, 2022, there are no investments in Mainland China.

(4) Major shareholders information

Major shareholders information: Refer to table 4.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Group's chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the nine-month periods ended September 30,	
	2022	2021
	The Group	The Group
Segment revenue		
Revenue from external customers, net	$ 4,979,765	$ 2,812,266
Depreciation and amortisation	21,801	26,025
Finance costs	9,062	9,021
Segment profit before income tax	160,346	51,552
Segment assets	2,246,808	1,735,326
Non-current assets capital expenditure	43,092	82,135
Segment liabilities	1,163,132	1,030,940

(3) Reconciliation for segment income

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of consolidated comprehensive income. The amounts provided to the chief operating decision maker with respect to segment income, total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. Therefore, such reconciliation is not required.

TMP Steel Corporation and Subsidiary

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2022

Table 1

Expressed in thousands of NTD

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
TMP Steel Corporation	Plant	2020.8.30	$134,828	$134,828	De Yuan Co., Ltd.	Non-related	-	-	-	-	-	For operating purpose	-

TMP Steel Corporation and Subsidiary

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2022

Table 2

Expressed in thousands of NTD

			Transaction				Description and reasons for difference in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
TMP Steel Corporation	E-TOP METAL CO., LTD.	Material influence	Purchases	$ 3,163,747	67%	20 days after 10 days statements	$ -	(Note 2)	($ 203,116)	(80%)	-
	E-TOP METAL CO., LTD.	Material influence	(Sales)	(161,855)	(3%)	60 days after monthly statements	-	(Note 3)	-	-	-
	E-SHENG STEEL CO., LTD.	Other related party	Purchases	943,348	20%	20 days after 10 days statements	-	(Note 2)	(33,446)	(13%)	-
	E-SHENG STEEL CO., LTD.	Other related party	(Sales)	(337,057)	(7%)	60 days after monthly statements	-	(Note 3)	-	-	-

(Note 1) The transactions between related parties are merely arising from reversed directions, therefore, they will not be disclosed separately.
(Note 2) The Company's payment terms with third parties are full prepayment, by issuance of letter of credit or the credit terms ranged from 30 to 90 days after monthly-closing. It is determinied based on credit management policy of the company.
(Note 3) The Company's collection terms with third parties are 30 to 90 days after monthly statements. It is determinied based on credit management policy of the company.

TMP Steel Corporation and Subsidiary

Names, locations and other information of investee companies (not including investees in Mainland China)

For the nine-month period ended September 30, 2022

Table 3

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of September 30, 2022			Net profit (loss) of the investee for the nine-month period ended September 30, 2022	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2022	Footnote
				Balance as of September 30, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value (Note)			
TMP Steel Corporation	Korea Peibo Electronics Co., Ltd.	Seoul, Korea	Purchase, sales and manufacturing of electronic components	$ 1,599	$ 1,599	-	50%	$ -	$ -	$ -	-
	Taiwan Steel Material Corp.	Taiwan	Wholesale of hardware and sale	1,000	-	100,000	100%	1,000	-	-	-

(Note) It is shown as amount net of accumulated impairment loss.

TMP Steel Corporation and Subsidiary

Major shareholders information

September 30, 2022

Table 4 Expressed in shares

Name of major shareholders	Number of shares	Ownership (%)	Note
	Common stock		
S-Tech Investment Co., Ltd.	6,770,432	11.15%	-
Tien Chuan Investment Co., Ltd.	6,079,303	10.01%	-
E-Top Metal Co., Ltd.	5,934,508	9.77%	-

(Note) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.