Stock Code: 4535

FINE BLANKING & TOOL CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements and
Independent Auditors' Review Report

For the Six Months Ended
June 30, 2023 and 2022

Address: No. 3, Gong 8th Road, Quanxing Industrial Zone, Xidi Village,
Shengang Township, Changhua County

Telephone: (04) 7990118

Table of contents

FulFill 富鋒聯合會計師事務所
彰化市金馬路三段 439 號 4 樓之 1
TEL：(04)7514030
FAX：(04)7514168

Independent Auditors' Review Report

To Fine Blanking & Tool Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Fine Blanking & Tool Co., Ltd. (the "Company") and its subsidiaries (the" Group"), as of June 30, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months and the six months ended June 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated 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 reviews, nothing has come to our attention that caused 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 June 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months and the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yen, Kuo-Yu and Chi, Chia-Yu.

Ful-Fill ＆ Co., CPAs
Changhua, Taiwan
Republic of China
July 25, 2023

Notice to Readers

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

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

FINE BLANKING ＆ TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2023, December 31, 2022, and June 30, 2022
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Items	Notes	June 30, 2023 Amount	%	December 31, 2022 Amount	%	June 30, 2022 Amount	%
11××	CURRENT ASSETS:							
1100	Cash and cash equivalents	4 and 6(1)	$ 988,691	30.60	$ 874,855	26.41	$ 802,235	25.99
1136	Current financial assets at amortized cost	4 and 6(2)	113,692	3.52	227,127	6.86	131,134	4.25
1150	Notes receivable, net	4 and 6(3)	6,490	0.20	6,708	0.20	10,713	0.35
1170	Accounts receivable, net	4, 5 and 6(3)	314,636	9.74	372,969	11.26	328,078	10.63
1180	Accounts receivable due from related parties, net	4, 5, 6(3) and 7	143,887	4.45	147,088	4.44	176,425	5.71
1200	Other receivables		19,973	0.62	8,103	0.24	6,460	0.21
130×	Inventories	4, 5 and 6(4)	401,216	12.42	469,937	14.19	467,423	15.14
1410	Prepayments		26,587	0.82	21,760	0.66	20,768	0.67
1470	Other current assets		716	0.02	1,202	0.04	1,701	0.06
11××	Total current assets		2,015,888	62.39	2,129,749	64.30	1,944,937	63.01
15××	NON-CURRENT ASSETS:							
1600	Property, plant and equipment	4, 6(5) and 8	1,043,153	32.29	1,035,423	31.26	991,691	32.13
1755	Right-of-use assets	4 and 6(6)	45,780	1.42	46,549	1.41	46,075	1.49
1801	Computer software, net		2,284	0.07	2,691	0.08	2,649	0.09
1805	Goodwill	4 and 5	15,541	0.48	15,521	0.47	15,474	0.50
1840	Deferred tax assets	4, 5 and 6(12)	25,950	0.80	18,489	0.56	22,830	0.74
1915	Prepayments for business facilities		26,834	0.83	12,608	0.38	16,946	0.55
1920	Guarantee deposits paid		10,386	0.32	10,415	0.31	10,410	0.34
1995	Other non-current assets, others		45,170	1.40	40,584	1.23	35,600	1.15
15××	Total non-current assets		1,215,098	37.61	1,182,280	35.70	1,141,675	36.99
1×××	TOTAL ASSETS		$ 3,230,986	100.00	$ 3,312,029	100.00	$ 3,086,612	100.00
21××	CURRENT LIABILITIES:							
2130	Currenct contract liabilities	4	$ 16,741	0.52	$ 18,988	0.57	$ 18,622	0.60
2150	Notes payable	4	443	0.01	230	0.01	748	0.02
2170	Accounts payable	4	242,413	7.50	291,158	8.79	292,592	9.48
2180	Accounts payable to related parties	4 and 7	2,400	0.07	7,273	0.22	4,485	0.15
2200	Other payables		224,050	6.94	121,353	3.66	77,171	2.50
2230	Current tax liabilities	4 and 6(12)	48,235	1.49	64,817	1.96	48,902	1.59
2250	Current provisions	4	47	0.00	12	0.00	17	0.00
2280	Current lease liabilities	4 and 6(7)	1,297	0.04	1,165	0.04	912	0.03
2399	Other current liabilities		2,044	0.06	4,235	0.13	2,381	0.08
21××	Total current liabilities		537,670	16.63	509,231	15.38	445,830	14.45

(Continued)

FINE BLANKING ＆ TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2023, December 31, 2022, and June 30, 2022
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Items	Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			Amount	%	Amount	%	Amount	%
25××	NON-CURRENT LIABILITIES:							
2570	Deferred tax liabilities	4 and 6(12)	$ 505	0.02	$ 5,535	0.17	$ 920	0.03
2580	Non-current lease liabilities	4 and 6(7)	14,450	0.45	14,695	0.44	14,036	0.46
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	15,432	0.48	15,432	0.46	15,776	0.51
2645	Guarantee deposits received		135	0.00	200	0.01	32	0.00
25××	Total non-current liabilities		30,522	0.95	35,862	1.08	30,764	1.00
2×××	Total liabilities		568,192	17.58	545,093	16.46	476,594	15.45
31××	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT:							
3110	Ordinary share	6(9)	756,617	23.42	756,617	22.84	756,617	24.51
3210	Capital surplus, additional paid-in capital	6(9)	150,801	4.67	150,801	4.55	150,801	4.89
3300	Retained earnings	6(9)						
3310	Legal reserve		480,974	14.89	459,608	13.88	459,608	14.89
3320	Special reserve		65,920	2.04	97,955	2.96	97,955	3.17
3350	Unappropriated retained earnings		988,618	30.60	1,041,715	31.45	944,318	30.59
3400	Other equity interest	6(9)						
3410	Exchange differences on translation of foreign financial statements		(67,090)	(2.08)	(65,920)	(1.99)	(73,643)	(2.39)
31××	Total equity attributable to owners of parent		2,375,840	73.54	2,440,776	73.69	2,335,656	75.66
36××	NON - CONTROLLING INTERESTS	6(9)	286,954	8.88	326,160	9.85	274,362	8.89
	Total equity		2,662,794	82.42	2,766,936	83.54	2,610,018	84.55
1×××	TOTAL LIABILITIES AND EQUITY		$ 3,230,986	100.00	$ 3,312,029	100.00	$ 3,086,612	100.00

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Items	Notes	For the Three Months Ended June 30				For the Six Months Ended June 30			
			2023		2022		2023		2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	OPERATING REVENUE	4, 5, 6(10) and 7	$ 669,473	100.00	$ 749,219	100.00	$1,367,104	100.00	$1,528,910	100.00
5000	OPERATING COSTS	6(4)(13)	(547,421)	(81.77)	(593,448)	(79.21)	(1,103,739)	(80.74)	(1,222,565)	(79.96)
5900	GROSS PROFIT FROM OPERATIONS		122,052	18.23	155,771	20.79	263,365	19.26	306,345	20.04
6000	OPERATING EXPENSES	6(13)								
6100	Selling expenses		(10,924)	(1.63)	(10,825)	(1.44)	(22,330)	(1.63)	(21,992)	(1.44)
6200	Administrative expenses		(36,244)	(5.41)	(36,694)	(4.90)	(71,745)	(5.25)	(71,015)	(4.64)
6300	Research and development expenses		(6,815)	(1.02)	(5,681)	(0.76)	(13,543)	(0.99)	(11,565)	(0.76)
6450	Impairment loss determined in accordance with IFRS 9		1,466	0.22	(142)	(0.02)	824	0.06	867	0.06
	Total operating expenses		(52,517)	(7.84)	(53,342)	(7.12)	(106,794)	(7.81)	(103,705)	(6.78)
6900	NET OPERATING INCOME		69,535	10.39	102,429	13.67	156,571	11.45	202,640	13.26
7000	NON-OPERATING INCOME AND EXPENSES	6(11)								
7100	Interest income		6,318	0.94	2,967	0.40	11,791	0.86	5,799	0.38
7010	Other income		1,632	0.24	1,760	0.24	4,861	0.36	3,072	0.20
7020	Other gains and losses		3,186	0.48	4,735	0.63	1,027	0.08	12,228	0.80
7510	Interest expense	6(7)	(142)	(0.02)	(142)	(0.02)	(283)	(0.02)	(281)	(0.02)
	Total non-operating income and expenses		10,994	1.64	9,320	1.25	17,396	1.28	20,818	1.36
7900	PROFIT BEFORE INCOME TAX		80,529	12.03	111,749	14.92	173,967	12.73	223,458	14.62
7950	INCOME TAX EXPENSE	4 and 6(12)	(24,382)	(3.64)	(30,938)	(4.13)	(47,491)	(3.47)	(58,838)	(3.85)
8200	PROFIT FOR THE PERIOD		56,147	8.39	80,811	10.79	126,476	9.26	164,620	10.77
8300	OTHER COMPREHENSIVE INCOME, NET									
8360	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation		3,967	0.59	7,387	0.98	2,931	0.21	38,842	2.54
	OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		3,967	0.59	7,387	0.98	2,931	0.21	38,842	2.54
8500	TOTAL COMPREHENSIVE INCOME		$ 60,114	8.98	$ 88,198	11.77	$ 129,407	9.47	$ 203,462	13.31
8600	PROFIT ATTRIBUTABLE TO									
	Owners of parent		$ 38,339	5.73	$ 58,386	7.79	$ 87,557	6.41	$ 116,266	7.61
	Non-controlling interests		17,808	2.66	22,425	3.00	38,919	2.85	48,354	3.16
			$ 56,147	8.39	$ 80,811	10.79	$ 126,476	9.26	$ 164,620	10.77
8700	COMPREHENSIVE INCOME ATTRIBUTABLE TO									
	Owners of parent		$ 37,126	5.55	$ 60,055	8.02	$ 86,387	6.32	$ 140,578	9.20
	Non-controlling interests		22,988	3.43	28,143	3.75	43,020	3.15	62,884	4.11
			$ 60,114	8.98	$ 88,198	11.77	$ 129,407	9.47	$ 203,462	13.31
9750	BASIC EARNINGS PER SHARE (NTD)	4 and 6(14)	$ 0.51		$ 0.78		$ 1.16		$ 1.54	

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

Items	Equity Attributable to Owners of Parent								
			Retained Earnings			Others			
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	$ 756,617	$ 150,801	$ 441,475	$ 92,414	$ 972,781	$ (97,955)	$ 2,316,133	$ 275,223	$ 2,591,356
Appropriation of earnings:									
Legal reserve			18,133		(18,133)		-		-
Special reserve				5,541	(5,541)		-		-
Cash dividends					(121,055)		(121,055)	(63,745)	(184,800)
Profit for the period					116,266		116,266	48,354	164,620
Other comprehensive income (loss) for the period									
Exchange differences on translation of foreign financial statements						24,312	24,312	14,530	38,842
BALANCE, JUNE 30, 2022	$ 756,617	$ 150,801	$ 459,608	$ 97,955	$ 944,318	$ (73,643)	$ 2,335,656	$ 274,362	$ 2,610,018
BALANCE, JANUARY 1, 2023	$ 756,617	$ 150,801	$ 459,608	$ 97,955	$ 1,041,715	$ (65,920)	$ 2,440,776	$ 326,160	$ 2,766,936
Appropriation of earnings:									
Legal reserve			21,366		(21,366)		-		-
Special reserve				(32,035)	32,035		-		-
Cash dividends					(151,323)		(151,323)	(82,226)	(233,549)
Profit for the period					87,557		87,557	38,919	126,476
Other comprehensive income (loss) for the period									
Exchange differences on translation of foreign financial statements						(1,170)	(1,170)	4,101	2,931
BALANCE, JUNE 30 2023	$ 756,617	$ 150,801	$ 480,974	$ 65,920	$ 988,618	$ (67,090)	$ 2,375,840	$ 286,954	$ 2,662,794

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES：		
Profit before income tax	$ 173,967	$ 223,458
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	52,934	46,448
Amortization expense	16,000	14,528
Expected credit loss (gain)	(824)	(867)
Interest expense	283	281
Interest income	(11,791)	(5,799)
Loss (gain) on disposal of property, plant and equipment	(331)	(612)
Impairment loss (gain on reversal) on non-financial assets	127	(215)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable, net	218	5,277
Decrease (increase) in accounts receivable, net	59,163	33,424
Decrease (increase) in accounts receivable due from related parties	3,195	(39,457)
Decrease (increase) in other receivables	(13,834)	(2,147)
Decrease (increase) in inventories	68,721	(11,572)
Decrease (increase) in prepayments	(2,800)	(6,233)
Decrease (increase) in other current assets	486	(436)
Total changes in operating assets	115,149	(21,144)
Increase (decrease) in contract liabilities	(2,247)	(2,830)
Increase (decrease) in notes payable	213	(2,211)
Increase (decrease) in accounts payable	(48,745)	(3,067)
Increase (decrease) in accounts payable to related parties	(4,873)	(4,027)
Increase (decrease) in other payable	(48,626)	(31,407)
Increase (decrease) in provisions	35	(99)
Increase (decrease) in other current liabilities	(2,191)	165
Total changes in operating liabilities	(106,434)	(43,476)
Cash inflow (outflow) generated from operations	239,080	212,602
Interest received	14,025	7,520
Interest paid	(557)	(551)
Income taxes paid	(77,208)	(64,522)
Net cash flows from (used in) operating activities	175,340	155,049

(Continued)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES：		
Decrease (increase) in financial assets at amortized cost - current	113,435	(8,924)
Acquisition of property, plant and equipment	(43,343)	(48,324)
Proceeds from disposal of property, plant and equipment	331	1,068
Decrease (increase) in software charge	-	(445)
Decrease (increase) in prepayments for business facilities	(34,380)	(30,400)
Decrease (increase) in refundable deposits	29	(5)
Decrease (increase) in other non-current assets	(19,471)	(6,357)
Net cash flows from (used in) investing activities	16,601	(93,387)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES：		
Payments of lease liabilities	(745)	(780)
Increase (decrease) in guarantee deposits received	(65)	(36)
Cash dividends	(82,226)	(184,623)
Change in non-controlling interests	4,101	14,530
Net cash flows from (used in) financing activities	(78,935)	(170,909)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	830	13,429
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,836	(95,818)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	874,855	898,053
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 988,691	$ 802,235

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the Six Months Ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)
(Reviewed, Not Audited)

1. History and Organization

Fine Blanking & Tool Co., Ltd. (the "Company") was incorporated in March 1988. As of June 30, 2023, the Company's paid-in capital was $756,617,400. The major business activities of the Company and subsidiaries (together referred to as the "Group") are the manufacture and sale of automobile, motorcycle parts and various molds. The Company's head office and factory are located in Shengang Township, Changhua County.

The public offering was approved by the Securities and Futures Bureau in December 1998. The Company's shares were approved by the Securities and Futures Bureau to list on the Taipei Exchange in January 2003 and have been trading on the Taipei Exchange since April 16, 2003.

2. Approval Date and Procedures of the Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on July 25, 2023.

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)

In preparing the accompanying consolidated financial statements, the Group has adopted the following IFRS, International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") that issued by the International Accounting Standards Board (IASB) and have been endorsed by the FSC, with effective date from January 1, 2023:

New Standards, Interpretations and Amendments	Effective Date Issued 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.

(2) The IFRSs issued by the 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 Issued 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
Amendment to IFRS 16 "Leases 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
Amendment 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, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment, and will disclose the relevant impact when the assessment is complete.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC.

(2) Basis of Preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). 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. The total comprehensive income of subsidiaries is attributed to the Company's shareholders and non-controlling interests, even if this results in non-controlling interests having a deficit balance.

Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

All significant transactions, balances, income, and expenses between the Company's consolidated entities are eliminated in full on consolidation.

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

B. Subsidiaries included in the consolidated financial statements

Name of Investor	Name of Subsidiary	Business Activities	Percentage of Ownership		
			2023/6/30	2022/12/31	2022/6/30
The Company	Superiority Enterprise Corp.	Investment	100.0%	100.0%	100.0%
The Company	Propitious International Inc.	Investment	55.75%	55.75%	55.75%
Superiority Enterprise Corp.	Suzhou Fine Blanking & Tool Co., Ltd.	Products and precision stamping parts for automobiles and special vehicles	100.0%	100.0%	100.0%
Propitious International Inc.	GSK Vietnam Co., Ltd.	Manufacturing, processing and production of products and precision stamping parts for automobiles, motorcycles and special vehicles	100.0%	100.0%	100.0%

(4) Foreign currency transactions and foreign operations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). When preparing consolidated financial statements, each consolidated entity's operational results and financial position are converted to NTD.

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign operations are translated into NTD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(5) Classification of current and non-current assets and liabilities

Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

B. Assets held mainly for trading purposes;

C. Assets that are expected to be realized within twelve months from the balance sheet date; or

D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

A. Liabilities that are expected to be settled within the normal operating cycle;

B. Liabilities arising mainly from trading activities;

C. Liabilities that are to be settled within twelve months from the balance sheet date; or

D. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(6) Cash and Cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments in operations.

(7) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

Financial assets are classified into the following categories: financial assets at amortized cost and financial assets at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified following the change in the business model.

<u>Financial assets at amortized cost</u>

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

a. The objective of the Group's business model is achieved by collecting contractual cash flows.

b. The assets' contractual cash flows represent solely payments of principal and interest.

At initial recognition, these assets are recognized at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets and accounts receivable, which is presented as accounts receivable. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

Impairment of financial assets

At each balance sheet date, the Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables).

The Group always recognizes lifetime Expected Credit Loss (“ECL”) for account receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

B. Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on the subsequent measurement including interest paid are recognized in profit or loss.

If the financial liabilities at fair value through profit or loss do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial liabilities measured at cost on balance sheet and carried at cost as at the reporting date.

Financial liabilities carried at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate (EIR) method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(8) Inventories

The company uses a perpetual inventory system and the inventories are stated at cost. The cost of inventories is calculated using the monthly weighted average method. After making provision for obsolescence, inventories are measured at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(9) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met.

Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately. Depreciation is recognized in profit or loss. The estimated useful lives of property, plant and equipment are as follows: buildings and structures 14~50 years, machinery and equipment 2~20 years, transportation equipment 3~10 years, facilities 2~15 years, and other equipment 2~10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates, any change is accounted for as a change in estimate.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(11) Intangible assets

A. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

B. Other intangible assets

Intangible assets acquired are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their economic lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(12) Impairment of Tangible and Intangible Assets

A. Goodwill

Goodwill is not amortized and instead is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. If the recoverable amount of a cash-generating unit is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

B. Other Tangible assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(13) Provisions for liabilities

Provisions are recognized when the Group has a present obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(14) Employee benefits

A. Retirement benefits

The contribution obligation of a defined contribution plan is recognized as an expense during the period of service provided by the employee. The benefit expenses of a defined benefit pension plan are recognized as defined benefit costs in accordance with the actuarial result.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. The service cost (including current service cost) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period when they occur. Remeasurement, including actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period when it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

B. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(15) Income tax

Income tax expense represents the sum of the current and deferred income tax.

Current income tax is calculated based on the taxable income of the current year. As part of the profits or losses belong to taxable or deductible items in other reporting periods, or do not belong to taxable or deductible items, the taxable income is different from the net income reported in the statements of comprehensive income. The current income tax-related liabilities of the Group are calculated in accordance with the tax rate that has been legislated or substantively legislated at the end of the reporting period.

An additional 5% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax liabilities are generally recognized for all future taxable temporary differences. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(16) Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The details of the Group's major sources of revenue were as follows:

The Group mainly manufactures parts and molds for automobile, motorcycle and other transportation. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional. Payment term granted to customers is due 60-90 days from the invoice date, and to some customers is 120 days. Therefore, the Group does not adjust the monetary time value of the transaction price. For some of the contracts, part of the consideration was received from customers before transferring a promised good to a customer, and the Group has the obligation to transfer the goods subsequently. Accordingly, the Group recognized the consideration received in advance from customers under contract liabilities.

Rental income is recognized as non-operating income over time in accordance with term of the lease. Depreciation and direct costs attribute to investment property is recognized in operating expenses.

(17) Government grants

Government grants are recognized only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred are recognized in profit or loss of the period in which they become receivable.

Government grants are presented in the financial statements as follows: Unrealized government grants (that is, the benefits of deferred government grants) are classified as liabilities in the balance sheet; realized government grants are other income in the comprehensive income statement.

(18) Operating segments information

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Group's accounting policies mentioned in note 4, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

(1) The loss allowance of accounts receivable

The Group has estimated the loss allowance of accounts receivable based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group recognized the loss allowance of $184 thousand, $1,008 thousand and $388 thousand, respectively.

(2) Impairment of Tangible and Intangible Assets Other than Goodwill

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

For the six months ended June 30, 2023 and 2022, the Group recognized the impairment loss of $128 thousand and ($215) thousand, respectively.

(3) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgment, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

For the six months ended June 30, 2023 and 2022, the Group recognized no impairment loss of goodwill.

(4) Realization of Deferred Income Tax Assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the management's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group recognized the deferred tax assets of $25,950 thousand, $18,489 thousand and $22,830 thousand, respectively.

(5) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period. The Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. This inventory valuation is based primarily on the estimated market value of inventories at the end of the financial reporting period and is therefore subject to significant change.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the carrying amounts of inventories were $401,216 thousand, $469,937 thousand and $467,423 thousand, respectively.

(6) Defined benefit obligations

When calculating and determining the present value of employee benefit obligations, the Group must use judgments and estimates to determine the relevant actuarial assumptions at the end of the financial reporting period, including the discount rate and the expected rate of return of the planned assets. Any change in actuarial assumptions may significantly affect the amount of the Group's defined benefit obligations.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the carrying amounts of determined benefit obligations were $15,432 thousand, $15,432 thousand and $15,776 thousand, respectively.

6. Explanation of Significant Accounts

(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

(1) Cash and cash Equivalents

Items	June 30, 2023	December 31, 2022	June 30, 2022
Cash	$ 506	$ 732	$ 494
Deposits in banks	988,185	874,123	801,741
Total	$ 988,691	$ 874,855	$ 802,235

The cash and cash equivalents of the Group had not been pledged as collateral.

(2) Current financial assets at amortized cost

Items	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits over three months	$ 113,692	$ 227,127	$ 131,134

(3) Notes and accounts receivable, net

Items	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable	$ 6,490	$ 6,708	$ 10,713
Less: Loss allowance	-	-	-
Accounts receivable	314,064	374,526	327,573
Less: Allowance for exchange gains and losses	708	(591)	841
Less: Loss allowance	(136)	(966)	(336)
Accounts receivable from related parties	143,935	147,130	176,410
Less: Allowance for exchange gains and losses	-	-	67
Less: Loss allowance	(48)	(42)	(52)
Total	$ 465,013	$ 526,765	$ 515,216

For trade receivables, the Group applies a simplified approach in calculating ECLs to recognize for credit losses expected over the remaining life of the exposure. As of June 30, 2023, December 31, 2022 and June 30, 2022, the analysis of the Group's expected credit losses of accounts receivable were as follows:

Items		Carrying amount	Lifetime expected credit loss rate		Loss allowance provision
June 30, 2023					
Not past due	$	427,717	0.00%-0.04%	$	96
Past due within 90 days		30,280	0.00%-5.91%		88
Past due 91-180 days		2	0.00%-43.63%		-
Past due over 180 days		-	100.00%		-
Less: Allowance for exchange gains and losses		708			
Total	$	458,707		$	184

Items		Carrying amount	Lifetime expected credit loss rate		Loss allowance provision
December 31, 2022					
Not past due	$	485,272	0.00%-0.03%	$	81
Past due within 90 days		34,614	0.04%-1.65%		61
Past due 91-180 days		1,770	0.00%-57.2%		866
Past due over 180 days		-	100.00%		-
Less: Allowance for exchange gains and losses		(591)			
Total	$	521,065		$	1,008

Items		Carrying amount	Lifetime expected credit loss rate		Loss allowance provision
June 30, 2022					
Not past due	$	473,114	0.00%-0.03%	$	95
Past due within 90 days		30,486	0.04%-1.65%		63
Past due 91-180 days		359	0.00%-57.2%		206
Past due over 180 days		24	100.00%		24
Less: Allowance for exchange gains and losses		908			
Total	$	504,891		$	388

For the six months ended June 30, 2023 and 2022, the movement in the allowance for notes and accounts receivable were as follows:

Items	For the six months ended June 30			
	2023		2022	
Balance, beginning of period	$	1,008	$	1,238
Provision (reversal)		(824)		(867)
Effect of exchange rate changes		-		17
Balance, end of period	$	184	$	388

The accounts receivable of the Group had not been pledged as collateral.

(4) Inventories

Items	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	$ 136,833	$ 167,846	$ 148,212
Work in process	126,265	156,930	160,042
Raw materials	191,281	184,387	185,022
Others	1,937	4,530	5,719
Inventory in transit	2,247	12,085	15,803
Less: Allowance for inventory valuation and obsolescence losses	(57,347)	(55,841)	(47,375)
Total	$ 401,216	$ 469,937	$ 467,423

The inventories of the Group had not been pledged as collateral. The cost of inventories recognized as cost of goods sold for the six months ended June 30, 2023 and 2022 were as follows:

Items	For the three months ended June 30 2023	For the three months ended June 30 2022	For the six months ended June 30 2023	For the six months ended June 30 2022
Cost of goods sold	$ 545,143	$ 590,211	$ 1,101,638	$ 1,215,535
Net losses (gains) on inventories	(88)	(217)	(69)	(175)
Inventory scrap loss	238	982	679	2,610
Losses on inventory valuation	2,128	2,472	1,491	4,595
Total	$ 547,421	$ 593,448	$ 1,103,739	$ 1,222,565

(5) Property, plant and equipment

Items	June 30, 2023	December 31, 2022	June 30, 2022
Land	$ 399,060	$ 399,060	$ 399,060
Buildings and structures	218,082	223,412	233,112
Machinery and equipment	279,455	287,257	290,980
Transportation equipment	10,504	4,750	4,580
Office equipment	3,357	3,554	2,985
Other equipment	39,329	47,462	35,588
Construction in progress	93,366	69,928	25,386
Total	$ 1,043,153	$ 1,035,423	$ 991,691

Items	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
2023/1/1	$ 399,060	$ 554,728	$ 1,881,125	$ 20,334	$ 14,668	$ 187,583	$ 69,928	$ 3,127,426
Additions			9,720	466	388	3,218	29,551	43,343
Disposals		(551)	(10,208)		(69)	(1,777)		(12,605)
Transfers		6,808	12,198	6,153		(645)	(7,065)	17,449
Effect of exchange rate changes		(551)	(2,569)	60	(11)	482	952	(1,637)
2023/6/30	$ 399,060	$ 560,434	$ 1,890,266	$ 27,013	$ 14,976	$ 188,861	$ 93,366	$ 3,173,976
2022/1/1	$ 399,060	$ 547,201	$ 1,834,551	$ 18,319	$ 13,174	$ 159,198	$ 561	$ 2,972,064
Additions		388	18,635	1,489	1,497	27,504	70,375	119,888
Disposals		(1,766)	(64,316)	(189)	(426)	(1,174)		(67,871)
Transfers		456	56,657			(1,495)	(1,017)	54,601
Effect of exchange rate changes		8,449	35,598	715	423	3,550	9	48,744
2022/12/31	$ 399,060	$ 554,728	$ 1,881,125	$ 20,334	$ 14,668	$ 187,583	$ 69,928	$ 3,127,426
2022/1/1	$ 399,060	$ 547,201	$ 1,834,551	$ 18,319	$ 13,174	$ 159,198	$ 561	$ 2,972,064
Additions			13,839	770	382	7,583	25,750	48,324
Disposals			(38,024)		(339)	(236)		(38,599)
Transfers			27,920			(3,684)	(936)	23,300
Effect of exchange rate changes		6,657	28,215	528	328	2,666	11	38,405
2022/6/30	$ 399,060	$ 553,858	$ 1,866,501	$ 19,617	$ 13,545	$ 165,527	$ 25,386	$ 3,043,494
Accumulated depreciation and impairment:								
2023/1/1	$ -	$ 331,316	$ 1,593,868	$ 15,584	$ 11,114	$ 140,121	$ -	$ 2,092,003
Depreciation		11,432	28,109	855	591	10,614		51,601
Disposals		(551)	(10,208)		(69)	(1,777)		(12,605)
Transfers								
Effect of exchange rate changes		155	(958)	70	(17)	574		(176)
2023/6/30	$ -	$ 342,352	$ 1,610,811	$ 16,509	$ 11,619	$ 149,532	$ -	$ 2,130,823
2022/1/1	$ -	$ 305,640	$ 1,566,661	$ 14,046	$ 10,123	$ 119,640	$ -	$ 2,016,110
Depreciation		22,246	49,764	1,182	1,121	18,809		93,122
Disposals		(1,767)	(51,886)	(174)	(397)	(1,173)		(55,397)
Transfers								
Effect of exchange rate changes		5,197	29,329	530	267	2,845		38,168
2022/12/31	$ -	$ 331,316	$ 1,593,868	$ 15,584	$ 11,114	$ 140,121	$ -	$ 2,092,003
2022/1/1	$ -	$ 305,640	$ 1,566,661	$ 14,046	$ 10,123	$ 119,640	$ -	$ 2,016,110
Depreciation		11,193	23,841	611	540	8,576		44,761
Disposals			(37,596)		(311)	(236)		(38,143)
Transfers								
Effect of exchange rate changes		3,913	22,615	380	208	1,959		29,075
2022/6/30	$ -	$ 320,746	$ 1,575,521	$ 15,037	$ 10,560	$ 129,939	$ -	$ 2,051,803
Carrying amounts:								
2023/6/30	$ 399,060	$ 218,082	$ 279,455	$ 10,504	$ 3,357	$ 39,329	$ 93,366	$ 1,043,153
2022/12/31	$ 399,060	$ 223,412	$ 287,257	$ 4,750	$ 3,554	$ 47,462	$ 69,928	$ 1,035,423
2022/6/30	$ 399,060	$ 233,112	$ 290,980	$ 4,580	$ 2,985	$ 35,588	$ 25,386	$ 991,691

The significant part of the Group's buildings includes plants, main office building, utilities engineering and air conditioning system, and the related depreciation is calculated using the estimated useful lives of 5-50 years.

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group recognized $18,358 thousand, $20,266 thousand and $22,100 thousand as a reserve for impairment loss from property, plant and equipment.

As of June 30, 2023, December 31, 2022 and June 30, 2022, information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

For the period ended June 30, 2023, December 31, 2022 and June 30, 2022, no borrowing cost was capitalized as part of property, plant and equipment.

(6) Right-of-use assets

A. The carrying amount of the right-of-use assets were as follows:

Items	June 30, 2023	December 31,2022	June 30, 2022
Land	$ 43,941	$ 44,598	$ 44,803
Transportation equipment	1,839	1,951	1,272
Total	$ 45,780	$ 46,549	$ 46,075

Movements in Right-of-use assets were as follows:

Items	Land	Transporation equipment	Total
Cost:			
2023/1/1	$ 52,000	$ 3,308	$ 55,308
Additions		431	431
Disposals		(511)	(511)
Effect of exchange rate changes	336		336
2023/6/30	$ 52,336	$ 3,228	$ 55,564
2022/1/1	$ 48,992	$ 3,486	$ 52,478
Additions		1,238	1,238
Disposals		(1,416)	(1,416)
Effect of exchange rate changes	3,008		3,008
2022/12/31	$ 52,000	$ 3,308	$ 55,308
2022/1/1	$ 48,992	$ 3,486	$ 52,478
Effect of exchange rate changes	2,177		2,177
2022/6/30	$ 51,169	$ 3,486	$ 54,655

Items	Land		Transporation equipment		Total	
Depreciation:						
2023/1/1	$	7,402	$	1,357	$	8,759
Depreciation		917		543		1,460
Disposals				(511)		(511)
Effect of exchange rate changes		76				76
2023/6/30	$	8,395	$	1,389	$	9,784
2022/1/1	$	5,217	$	1,633	$	6,850
Depreciation		1,807		1,140		2,947
Disposals				(1,416)		(1,416)
Effect of exchange rate changes		378				378
2022/12/31	$	7,402	$	1,357	$	8,759
2022/1/1	$	5,217	$	1,633	$	6,850
Depreciation		891		581		1,472
Effect of exchange rate changes		258				258
2022/6/30	$	6,366	$	2,214	$	8,580
Carrying amounts:						
2023/6/30	$	43,941	$	1,839	$	45,780
2022/12/31	$	44,598	$	1,951	$	46,549
2022/6/30	$	44,803	$	1,272	$	46,075

B. The Group leases land for the use of plants with lease terms of 45 to 50 years, and leases transportation equipment with lease terms of 3 years.

The Group leases photocopying equipment and transportation equipment with lease terms of less than one year, these leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(7) Lease liabilities

A. The carrying amount of the lease liabilities were as follows:

	June 30, 2023		
Items	Future minimum lease payents	Interest	Present value of minimum lease payments
Within 1 year	$ 1,846	$ 549	$ 1,297
2-3 years	2,259	1,039	1,220
4-5 years	1,481	999	482
Over 5 years	21,296	8,548	12,748
Total	$ 26,882	$ 11,135	$ 15,747
Current	$ 1,846	$ 549	$ 1,297
Non-current	$ 25,036	$ 10,586	$ 14,450

	December 31, 2022		
Items	Future minimum lease payents	Interest	Present value of minimum lease payments
Within 1 year	$ 1,712	$ 547	$ 1,165
2-3 years	2,459	1,030	1,429
4-5 years	1,447	989	458
Over 5 years	21,439	8,631	12,808
Total	$ 27,057	$ 11,197	$ 15,860
Current	$ 1,712	$ 547	$ 1,165
Non-current	$ 25,345	$ 10,650	$ 14,695

	June 30, 2022		
Items	Future minimum lease payents	Interest	Present value of minimum lease payments
Within 1 year	$ 1,452	$ 540	$ 912
2-3 years	2,015	1,021	994
4-5 years	1,431	981	450
Over 5 years	21,323	8,731	12,592
Total	$ 26,221	$ 11,273	$ 14,948
Current	$ 1,452	$ 540	$ 912
Non-current	$ 24,769	$ 10,733	$ 14,036

The amount of lease liabilities increased $431 thousand for the six months ended June 30, 2023. The interest rate is 1.7%. The amount of lease liabilities increased $1,238 thousand for the year ended December, 2022. The interest rate is 1.045%. The expiry date is February 2026.

B. The amounts recognized in profit or loss were as follows:

Items	For the three months ended June 30 2023		For the three months ended June 30 2022		For the six months ended June 30 2023		For the six months ended June 30 2022	
Interest on lease liabilities	$	142	$	142	$	283	$	281
Expenses relating to short-term leases	$	265	$	191	$	458	$	373

C. The amounts recognized in the statement of cash flows for the Group were as follows:

Items	For the six months ended June 30 2023		For the six months ended June 30 2022	
Total cash outflow for leases	$	1,760	$	1,704

(8) Employee benefits

A. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, GSK Vietnam Co., Ltd. and Suzhou Fine Blanking & Tool Co., Ltd. also make contributions at certain percentages of the total monthly salary of their employees. Accordingly, the Group recognized expenses for the six months ended June 30, 2023 and 2022, respectively, were as follows:

Items	For the three months ended June 30 2023		For the three months ended June 30 2022		For the six months ended June 30 2023		For the six months ended June 30 2022	
Defined contribution pension expense	$	2,784	$	2,872	$	5,713	$	5,725

B. Defined benefit plans

The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount based on the actuarial result to pension funds (the Funds) each month, which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds. Amounts recognized in respect of these defined benefit plans were as follows:

Items	For the six months ended June 30, 2023	June 30, 2023	For the six months ended June 30, 2022	June 30, 2022
Labor pension reserve account		$ 9,248		$ 12,379
Employee benefit liabilities		15,464		15,807
Pension cost	$ 191		$ 187	

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

Items	For the six months ended June 30 2023	2022
Cost of revenue	$ 151	$ 145
General and administrative expenses	40	42
Total	$ 191	$ 187

(9) Equity

A. Ordinary share

As of June 30, 2023, the Company's authorized common shares amounted to $1,200,000,000, and the outstanding common shares amounted to $756,617,400, consisting of 75,661,740 shares of common stock, with a par value of $10 per share.

B. Capital surplus

Items	June 30, 2023	December 31, 2022	June 30, 2022
Additional paid-in capital	$ 150,801	$ 150,801	$ 150,801

Under the relevant laws, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers, convertible bonds and the surplus from treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital.

C. Retained earnings

Operating within the automobile and motorcycle parts industry, the Company shall first take into consideration its operating environment, and industry developments, as well as its programs to maintain its operating efficiency and meet its capital expenditure budget and financial goals. As stipulated in the Company's Articles of Incorporation, the earnings, if any, shall be distributed as follows:

If there is net profit after tax for each fiscal year, no lower than 2% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered (if any). The Company's net earnings should first be used to pay taxes and offset the prior years' deficits, if any. Of the remaining balance with the adjustment amount of the undistributed earnings, the legal reserve is to be appropriated. A special reserve shall also be set aside or reversed in accordance with laws. Then, any remaining profit, together with any undistributed retained earnings from previous years, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. Dividend to be distributed shall be no less than 10% of the current-year retained earnings available for distribution. The cash dividends shall not be less than 20% of the total dividends. Nevertheless, the board of directors could make adjustments according to the actual profit and capital status of the company in the current year and propose the appropriation for resolution at the shareholders' meeting.

According to the Act, a company shall set aside legal reserve until it equals to the paid-in capital. The legal capital reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of shareholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gains and losses from available-for-sale financial assets, etc. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The amounts of dividends on the appropriations of earnings for 2022 and 2021 had been approved during shareholders' meeting on May 30, 2023 and May 24, 2022 as follows:

Items	Appropriation		Dividend per share	
	2022	2021	2022	2021
Legal reserve	$ 21,366	$ 18,133		
Special reserve	(32,035)	5,541		
Cash dividends	151,323	121,059	$ 2.00	$ 1.60

D. Others

Changes in others for the six months ended June 30, 2023 and 2022 were as follows:

Items		For the six months ended June 30 2023	2022
Exchange differences on translation of foreign financial statements	Balance, beginning of period	$ (65,920)	$ (97,955)
	Changes in period	(1,170)	24,312
	Balance, end of period	$ (67,090)	$ (73,643)

E. Non-controlling interests

Changes in the amount of non-controlling interests for the six months ended June 30, 2023 and 2022 were as follows:

Items	For the six months ended June 30 2023	2022
Balance, beginning of period	$ 326,160	$ 275,223
Appropriation of earnings	(82,226)	(63,745)
Profit for the period	38,919	48,354
Exchange differences on translation of foreign financial statements	4,101	14,530
Balance, end of period	$ 286,954	$ 274,362

(10) Operating revenue

Disaggregation of revenue for the six months ended June 30, 2023 and 2022 were as follows:

Items	For the three months ended June 30 2023	For the three months ended June 30 2022	For the six months ended June 30 2023	For the six months ended June 30 2022
Sale of goods	$ 653,295	$ 728,873	$ 1,337,370	$ 1,494,803
Others	16,178	20,346	29,734	34,107
Total	$ 669,473	$ 749,219	$ 1,367,104	$ 1,528,910

(11) Non-operating income and expenses

The details of non-operating income and expenses for the six months ended June 30, 2023 and 2022 were as follows:

Items	For the three months ended June 30 2023	For the three months ended June 30 2022	For the six months ended June 30 2023	For the six months ended June 30 2022
Non-operating income				
Rent income	$ 202	$ 205	$ 406	$ 403
Other income	1,430	1,555	4,455	2,669
Total	$ 1,632	$ 1,760	$ 4,861	$ 3,072

Items	For the three months ended June 30 2023	For the three months ended June 30 2022	For the six months ended June 30 2023	For the six months ended June 30 2022
Other gains and losses				
Gain (loss) on disposal of property, plant and equipment	$ 230	$ 237	$ 355	$ 612
Foreign exchange losses	3,325	4,829	1,652	12,413
Others	(369)	(546)	(852)	(1,012)
Impairment loss	-	215	(128)	215
Total	$ 3,186	$ 4,735	$ 1,027	$ 12,228

(12) Income tax

A. Income tax expense recognized in profit or loss

Items	For the six months ended June 30 2023	2022
Current income tax expense		
Current tax expense recognized in the current year	$ 56,493	$ 61,175
Income tax adjustments on prior years	(24)	792
Tax on undistributed profit	3,650	1,830
Deferred income tax expense		
The origination and reversal of temporary differences	(12,628)	(4,959)
Income tax expense recognized in profit or loss	$ 47,491	$ 58,838

B. A reconciliation of income before income tax and income tax expense recognized in profit or loss

Items	For the six months ended June 30 2023	2022
Income before tax	$ 173,967	$ 223,458
Income tax expense at the statutory rate	$ 40,625	$ 54,334
Tax effect of adjusting items		
Nondeductible items in determining taxable income	3,708	1,954
Tax on undistributed profit	3,650	1,830
Income tax adjustments on prior years	(24)	792
Changes in deferred tax		
Temporary differences	(468)	(72)
Income tax expense recognized in profit or loss	$ 47,491	$ 58,838

C. Deferred income tax assets and liabilities

Items	June 30, 2023	December 31, 2022	June 30, 2022
Deferred income tax assets			
Provisions	$ 9	$ 2	$ 3
Inventory	6,623	6,804	6,110
Long-term investments	8,408	-	4,467
Property, plant and equipment	4,170	4,578	4,967
Unrealized gross profit from intercompany transactions within the Group	759	1,004	1,180
Net defined benefit liability	2,480	2,480	2,549
Foreign currency assets and liabilities	-	135	-
Land use rights	3,501	3,486	3,554
Total	$ 25,950	$ 18,489	$ 22,830
Deferred income tax liabilities			
Long-term investments	$ -	$ 5,150	$ -
Foreign currency assets and liabilities	505	135	633
Received in advance	-	250	287
Total	$ 505	$ 5,535	$ 920

D. Changes in deferred income tax assets and liabilities

For the six months ended June 30, 2023

Items	Balance, beginning of period	Profit or loss	Effect of exchange rate changes	Balance, end of period
Deferred income tax assets				
Provisions	$ 2	$ 7	$ -	$ 9
Inventory	6,804	(171)	(10)	6,623
Long-term investments	-	8,408		8,408
Property, plant and equipment	4,578	(350)	(58)	4,170
Unrealized gross profit from intercompany transactions within the Group	1,004	(252)	7	759
Net defined benefit liability	2,480			2,480
Foreign currency assets and liabilities	135	(135)		-
Land use rights	3,486	90	(75)	3,501
Total	$ 18,489	$ 7,597	$ (136)	$ 25,950

Items	Balance, beginning of period	Profit or loss	Effect of exchange rate changes	Balance, end of period
Deferred income tax liabilities				
Long-term investments	$ 5,150	$ 5,150	$ -	$ -
Foreign currency assets and liabilities	135	(370)		505
Received in advance	250	251	(1)	-
Total	$ 5,535	$ 5,031	$ (1)	$ 505

For the six months ended June 30, 2022

Items	Balance, beginning of period	Profit or loss	Effect of exchange rate changes	Balance, end of period
Deferred income tax assets				
Account receivable	$ 30	$ (30)	$ -	$ -
Provisions	23	(20)		3
Inventory	5,504	589	17	6,110
Long-term investments	-	4,467		4,467
Property, plant and equipment	5,343	(433)	57	4,967
Unrealized gross profit from intercompany transactions within the Group	599	542	39	1,180
Net defined benefit liability	2,549			2,549
Foreign currency assets and liabilities	192	(192)		-
Land use rights	3,536	(53)	71	3,554
Total	$ 17,776	$ 4,870	$ 184	$ 22,830
Deferred income tax liabilities				
Long-term investments	$ 720	$ 720	$ -	$ -
Foreign currency assets and liabilities	2	(631)		633
Received in advance	273		(14)	287
Total	$ 995	$ 89	$ (14)	$ 920

E. Unrecognized deferred tax assets

As of June 30, 2023, December 31, 2022 and June 30, 2022, deferred income tax asset items that are not very likely realizable and hence are not recognized of the Group were as follows:

Item	June 30, 2023	December 31, 2022	June 30, 2022
Deferred income tax assets	$ 40,955	$ 38,920	$ 36,243

F. The tax authorities have examined income tax returns of the Company through 2021.

(13) Employee benefits, depreciation, depletion, and amortization expenses

By function / By item	For the three months ended June 30					
	2023			2022		
	Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits						
Salary	$ 50,836	$ 17,268	$ 68,104	$ 58,178	$ 17,183	$ 75,361
Labor and health insurance	6,941	2,031	8,972	4,968	1,735	6,703
Pension	1,822	1,057	2,879	2,079	886	2,965
Remuneration directors	-	3,354	3,354	-	3,881	3,881
Others	14,180	2,062	16,242	12,448	2,265	14,713
Depreciation	23,116	3,614	26,730	19,944	3,441	23,385
Amortization	5,904	2,492	8,396	5,100	1,966	7,066

By function / By item	For the six months ended June 30					
	2023			2022		
	Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits						
Salary	$ 101,958	$ 34,773	$ 136,731	$ 117,687	$ 34,910	$ 152,597
Labor and health insurance	13,942	4,845	18,787	9,951	4,122	14,073
Pension	3,788	2,116	5,904	4,154	1,758	5,912
Remuneration directors	-	6,919	6,919	-	7,491	7,491
Others	27,623	4,374	31,997	24,974	4,727	29,701
Depreciation	45,795	7,139	52,934	39,564	6,884	46,448
Amortization	11,223	4,777	16,000	10,685	3,843	14,528

Note: For the periods ended June 30, 2023 and 2022, the average numbers of employees of the Group were 1,039 and 1,018, respectively. The numbers of directors excluding the employees were both 8.

For the six months ended June 30, 2023 and 2022, the estimated amounts of remuneration to employees and directors were $9,901 thousand and $12,733 thousand, which were calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses of each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

Remuneration to employees and directors for 2022 approved by the board of directors at March 6, 2023 were in the amounts of $14,729 thousand and $10,605 thousand, and the remuneration to employees and directors for 2021 approved by the board of directors at March 2, 2022 were in the amounts of $12,387 thousand and $7,060 thousand, respectively. There is no difference between the aforementioned approved amounts and the amounts charged against earnings of 2022 and 2021, respectively.

The information about the remuneration to employees and directors is available on the Market Observation Post System website.

(14) Earnings per share of common stock

Items	For the three months ended June 30 2023	For the three months ended June 30 2022	For the six months ended June 30 2023	For the six months ended June 30 2022
Profit attributable to common shareholders of the parent (in thousands)	$ 38,339	$ 58,386	$ 87,557	$ 116,266
The number of outstanding shares at beginning of period (in thousands)	75,661.74	75,661.74	75,661.74	75,661.74
Weighted-average number of common shares (in thousands)	75,661.74	75,661.74	75,661.74	75,661.74
Basic earnings per share	$ 0.51	$ 0.78	$ 1.16	$ 1.54

(15) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(16) Financial instruments

A. Categories of financial instruments

Items	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	$ 988,691	$ 874,855	$ 802,235
Financial assets at amortized cost	113,692	227,127	131,134
Receivables	465,013	526,765	515,216
Total	$ 1,567,396	$ 1,628,747	$ 1,448,585

Items	June 30, 2023	December 31, 2022	June 30, 2022
Financial liabilities			
Financial liabilities at amortized cost			
Payables	$ 245,256	$ 298,661	$ 297,825
Lease liabilities — current	1,297	1,165	912
Lease liabilities — non-current	14,450	14,695	14,036
Total	$ 261,003	$ 314,521	$ 312,773

B. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk tendency.

For the above-mentioned financial risks, the Group has established suitable policies, procedures, and internal control according to related regulations. Important financial activities need to be reviewed by the Board of Directors according to applicable regulations and the internal control system. While a financial plan is being implemented, the Group needs to strictly follow applicable financial operating procedures about the overall financial risk management.

C. Market risk

The market risk of the Group is the risk of volatility in fair value or cash flows of financial instruments as a result of the varying prices on the market. Market risk mainly includes exchange rate risk, interest rate risk, and other price risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

a. Currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and net investment in foreign operations.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables; therefore, there is natural hedge effect. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analyses is as follows.

When USD appreciates or depreciates against NTD by 1%, the profit increases / decreases as follows:

Items	For the six months ended June 30			
	2023		2022	
	Appreciation	Depreciation	Appreciation	Depreciation
Profit for the period	$ 5,667	$ (5,667)	$ 5,599	$ (5,599)
Equity	7,005	(7,005)	6,024	(6,024)

b. Interest rate risk

The interest rate risk is the risk of volatility in the fair value or cash flows in the future of financial instruments as a result of changing interest rates on the market. The interest rate risk of the Group mainly comes from borrowings at floating interest rates. Since most short-term loans of the Group for the six months ended June 30, 2023 and 2022 are fixed rate borrowings, the interest rate fluctuations risk of future cash flows was insignificant.

D. Credit risk management

Credit risk is the risk of financial losses to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's operating activities (mainly receivables from customers) and financial activities (mainly deposits in banks and financial instruments).

Each business unit manages customer credit risk by following the policies, procedures and controls of the customer's credit risk of the Group. The credit risk assessment of all customers is based on factors such as the financial status of the customer, the evaluation of the credit rating agency, past historical trading experience, current economic environment and internal company evaluation criteria. The Group also uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to reduce the credit risk of specific customers.

Receivables from top ten customers of the total accounts receivable of the Group represented as follows. The credit concentration risk of other accounts receivable was insignificant.

	June 30, 2023	December 31, 2022	June 30, 2022
Percentage	71.03%	69.33%	67.64%

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks and corporate organizations with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

E. Liquidity risk management

The Group manages its liquidity risk by maintaining adequate cash and cash equivalents and bank loan. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Non-derivative financial instruments

	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
June 30, 2023					
Payables	$ 245,256	$ -	$ -	$ -	$ 245,256
Lease liabilities	1,297	1,220	482	12,748	15,747
December 31, 2022					
Payables	$ 298,661	$ -	$ -	$ -	$ 298,661
Lease liabilities	1,165	1,429	458	12,808	15,860
June 30, 2022					
Payables	$ 297,825	$ -	$ -	$ -	$ 297,825
Lease liabilities	912	994	450	12,592	14,948

F. Fair value of financial instruments

a. Valuation techniques for financial instruments that are measured at fair value

The fair values of the financial assets and liabilities refer to the amounts of current transaction of the said instruments with the interested counterparties (instead of mandatory means or liquidation). The methods and assumptions used to estimate the fair value of the Group's financial assets and liabilities are as follows:

The carrying amount of cash and cash equivalents, receivables, other current assets, payables, and short-term borrowings approximate their fair value due to their short maturities.

b. Fair value of financial instruments measured at amortized cost

The Group considers that the carrying amounts of financial assets and liabilities that are measured at amortized cost approximate their fair values.

c. Fair value hierarchy of financial instruments

(a) Definition of fair value hierarchy

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.
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) Fair value hierarchy information

The Group did not have financial instruments such as financial assets classified at fair value through profit or loss and consequently fair value hierarchy information was not disclosed.

G. The information on the foreign-currency financial assets and liabilities with significant effect

	June 30, 2023			December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	NTD	Foreign currency amount (In thousands)	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$ 10,892	31.1400	$ 339,190	$ 8,478	30.7150	$ 260,396
EUR	125	33.8100	4,212	614	32.7450	20,096
RMB	32,967	4.3096	142,073	27,553	4.4102	121,515
VND	244,544,922	0.0013	322,799	372,314,943	0.0013	484,009
JPY	57,341	0.2150	12,328	527	0.2330	123
Financial liabilities						
Monetary items:						
USD	$ 102	31.1400	$ 3,182	$ 177	30.7150	$ 5,424
EUR	-	33.8100	-	30	32.7450	992
RMB	7,201	4.3096	31,034	7,463	4.4102	32,912
VND	69,660,398	0.0013	91,952	86,708,743	0.0013	112,721
JPY	10,634	0.2150	2,286	7,323	0.2330	1,706

	June 30, 2022					
	Financial assets			Financial liabilities		
	Foreign currency amount (In thousands)	Exchange rate	NTD	Foreign currency amount (In thousands)	Exchange rate	NTD
Monetary items:						
USD	$ 8,768	29.7200	$ 260,594	$ 32	29.7200	$ 944
EUR	566	31.0500	17,576	-	31.0500	-
RMB	26,883	4.4283	119,048	7,435	4.4283	32,926
VND	300,539,541	0.0013	384,691	53,778,779	0.0013	68,837
JPY	2,465	0.2182	538	6,755	0.2182	1,474

7. Related-Party Transactions

(1) Names of related parties and relationship with the Group:

Related party name	Related party categories
GSK Corporation	Other related party
GSK Autotech & Furniture Inc.	Other related party
Shin San Shing Co., Ltd.	Other related party
GSK Intek Co., Ltd.	Other related party
Medcare Manufacturing Inc.	Other related party
GSK Technologies Inc.	Other related party
Uni Auto Parts Manufacture Co., Ltd.	Other related party
Shanghai Yuxing Trading Co., Ltd.	Other related party

(2) Significant related party transactions:

A. Purchases of goods

Items	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Other related parties	$ 9,398	$ 10,919	$ 18,312	$ 18,991

The purchases prices and payment terms to related parties were not significantly different from those of purchases to third parties. The payment terms for purchases to related parties were 2 months. The payments were paid by remittance.

B. Operating revenue

Items	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Other related parties				
GSK Corporation	$ 84,034	$ 74,025	$ 170,228	$ 164,602
GSK Technologies	93,558	126,547	206,723	273,485
Others	11,604	9,341	20,416	15,140
Total	$ 189,196	$ 209,913	$ 397,367	$ 453,227

The sales prices and collection terms to related parties were not significantly different from those of sales to third parties. The payments were collected by 2-4 month promissory notes or remittance.

C. Notes receivable / payable and accounts receivable / payable (no interest bearing)

a. Accounts receivable

Items	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties			
GSK Technologies	$ 60,409	$ 83,894	$ 108,355
GSK Corporation	71,457	53,332	57,099
Others	12,069	9,904	11,023
Less: Loss allowance	(48)	(42)	(52)
Total	$ 143,887	$ 147,088	$ 176,425

b. Accounts payable

Other related parties	$ 2,400	$ 7,273	$ 4,485

c. Other receivables

GSK Technologies	$ 15,463	$ 1,587	$ 671

D. Property transactions

For the six months ended June 30, 2023 and 2022, the Group's property transactions to its related parties are summarized as follows:

Items	Name of equipment	Years	Purchase price	Outstanding payment
GSK Corporation	Ultrasonic equipment	2023	$ 23	$ -
GSK Corporation	Disc inspection machine	2022	1,300	$ -

E. Others

For the six months ended June 30, 2023 and 2022, the Group's other transactions to its related parties are summarized as follows:

	For the three months ended June 30		For the six months ended June 30	
Items	2023	2022	2023	2022
Agency fee	$ 207	$ 250	$ 472	$ 444
Manufacturing overhead - outsourced	678	1,033	1,567	1,848

F. Compensation of key management personnel

Items	For the three months ended June 30 2023		For the three months ended June 30 2022		For the six months ended June 30 2023		For the six months ended June 30 2022	
Short-term employee benefits	$	4,607	$	4,544	$	9,526	$	8,816

For details of total compensation paid to the key management personnel, please refer to the annual report of the Company.

8. Pledged Assets: None

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) As of June 30, 2023, amounts available under letters of credit for import: None

(2) As of June 30, 2023, capital expenditures contracted for but not yet incurred were as follows:

Items	Contract target	Counterparty	Total contract amount (In thousands)	Accumulated payment as at June 30, 2023 (In thousands)
Construction in progress	Expansion of the second plant in Hanoi, Vietnam - Plant	Chien Huong. JSC	VND 51,281,487	56,890
Construction in progress	Fire pool of the first plant in Hanoi, Vietnam	Chien Huong. JSC	VND 3,025,418	1,830
Construction in progress	Expansion of the first plant in Hanoi, Vietnam - Office building	Chien Huong. JSC	VND 30,476,007	32,513
Prepayments for business facilities	Tab transmission CCD automated inspection equipment	Commander Consulting Co., Ltd.	6,000	4,815
Prepayments for business facilities	MES production management information system	NXN Technology Co., Ltd.	3,430	2,744
Prepayments for business facilities	Generator	ACE POWER	USD 122	3,844
Prepayments for business facilities	Automatic cutting machine	LECTRA	USD 280	7,922
Prepayments for business facilities	Fire emergency pool	Suzhou Fengmao Environment Ltd.	CNY 441	1,269
Prepayments for business facilities	Rehabilitation of drainage pipes	Suzhou High-Tech Drainage Ltd.	CNY 766	1,954

10. Significant Disaster Loss: None

11. Significant Subsequent Events: None

12. Others: None

13. Supplementary Disclosures

(1) Information on significant transactions

A. Loans to others: None

B. Provision of endorsements and guarantees to others: None

C. Holding of marketable securities at the end of the periods: None

D. Acquisition or sale of the same security with the accumulated cost exceeding $100 million or 20% of the Company's paid-in capital: None

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid in capital or more: Please refer to table 1.

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

I. Trading in derivative financial instruments undertaken during the reporting periods ended: None

J. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect significant influence or control: Please refer to table 3.

(3) Information on investments in mainland China

A. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please refer to table 4.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: Please refer to table 2.

(4) Information on major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Please refer to table 5.

14. Segment Information

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on location of operations. The ways of manufacturing and marketing strategy are the same; however, the Group manages its business by location due to regional difference from culture, economy environment and so on. Specifically, the Group's reportable segments were as follows:

Domestic Operations Department – Design, research and development, production, manufacturing and sales of metal stamping parts for automobiles, motorcycles and bicycles.

Overseas Operations Department – Manufacturing, processing and production of various products and precision stamping parts for automobiles, motorcycles and special vehicles.

The Group's segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments.

(1) Operating segments information

For the six months ended June 30, 2023	Domestic operations department	Overseas operations department	Adjustment and elimination	Total
Revenue				
Revenue from external customers	$ 649,747	$ 717,357	$ -	$ 1,367,104
Intersegment revenues	6,693	3,185	(9,878)	-
Total revenue	656,440	720,542	(9,878)	1,367,104
Segment profit or loss	113,852	95,059	(34,944)	173,967
Segment assets	2,761,539	1,106,064	(636,617)	3,230,986

For the six months ended June 30, 2022	Domestic operations department	Overseas operations department	Adjustment and elimination	Total
Revenue				
Revenue from external customers	$ 762,916	$ 765,994	$ -	$ 1,528,910
Intersegment revenues	12,128	1,085	(13,213)	-
Total revenue	775,044	767,079	(13,213)	1,528,910
Segment profit or loss	147,611	131,575	(55,728)	223,458
Segment assets	2,653,480	1,085,127	(651,995)	3,086,612

Table 1: Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid in capital or more

In Thousands of NTD

For the six months ended June 30, 2023

Name of company	Related party	Nature of relationship	Transaction details				Abnormal Transaction		Notes/Accounts payable or receivable		Note
			Purchase/ Sale	Amount	% of total	Payment terms	Unit price	Payment terms	Ending balance	% of total	
Fine Blanking & Tool Co., Ltd.	GSK Corporation	The entity's chairman is the same as the Company's	Sale	170,228	12.45%	60 days	Normal	Normal	71,457	15.37%	
Fine Blanking & Tool Co., Ltd. GSK Vietnam	GSK Technologies Inc.	The entity's chairman is the Company's director	Sale	206,723	15.12%	60 days	Normal	Normal	60,409	12.99%	

Table 2: Significant inter-company transactions during the reporting periods

In Thousands of NTD

For the six months ended June 30, 2023

No. (Note 1)	Name of company	Counterparty	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated net revenue or total assets (Note 3)
0	Fine Blanking & Tool Co., Ltd.	GSK Vietnam Co., Ltd.	1	Operating revenue	6,693	Normal trading terms	0.49%
0	Fine Blanking & Tool Co., Ltd.	GSK Vietnam Co., Ltd.	1	Accounts receivable	2,585	Normal trading terms	0.08%
1	GSK Vietnam Co., Ltd.	Fine Blanking & Tool Co., Ltd.	2	Operating revenue	1,908	Normal trading terms	0.14%
1	GSK Vietnam Co., Ltd.	Fine Blanking & Tool Co., Ltd.	2	Accounts receivable	-	Normal trading terms	0.00%
2	Suzhou Fine Blanking & Tool Co., Ltd.	GSK Vietnam Co., Ltd.	3	Operating revenue	1,278	Normal trading terms	0.09%
2	Suzhou Fine Blanking & Tool Co., Ltd.	GSK Vietnam Co., Ltd.	3	Accounts receivable	1,032	Normal trading terms	0.03%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) 0 represents the parent company.

(2) Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

(1) represents transactions between the parent company and its subsidiaries.

(2) represents transactions between the subsidiaries and the parent company.

(3) represents transactions between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item's end-of-period balance is shown as a percentage to the consolidated total assets as of the end of the period. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the period.

Note 4: The Company shall determine whether the significant transactions be included in this table based on the principle of materiality.

Table 3: Relevant information of investees over which the Company has direct or indirect significant influence or control (excluding information on investment in mainland China)

In Thousands of NTD

For the six months ended June 30, 2023

Name of investor	Name of investee (Note 1, 2)	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2023			Net income (losses) of investee (Note 2(2))	Share of profits/losses (Note 2(3))	Note
				June 30, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
Fine Blanking & Tool Co., Ltd.	Propitious International Inc.	BVI	Investment	347,044	347,044	-	55.75%	375,237	87,535	49,034	Transactions on the left have been eliminated while preparing the consolidated financial statements.
Fine Blanking & Tool Co., Ltd.	Superiority Enterprise Corp.	BVI	investment and import/export trade	391,965	391,965	-	100.00%	266,152	(13,591)	(13,265)	Transactions on the left have been eliminated while preparing the consolidated financial statements.
Propitious International Inc.	GSK Vietnam Co., Ltd.	Vietnam	Manufacturing, processing and production of products and precision stamping parts for automobiles, motorcycles and special vehicles, and coating and processing	606,351	606,351	-	100.00%	630,283	84,041	83,869	Transactions on the left have been eliminated while preparing the consolidated financial statements.

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of "Name of investee", "Location", "Main business and products", "Original investment amount" and "Shares held as of June 30, 2023" should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the "Note" column.

(2) The "Net income (losses) of investee" column should fill in amount of net profit (loss) of the investee for this period.

(3) The "Share of profits/losses" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

Table 4: Information on investment in mainland China

In Thousands of NTD

For the six months ended June 30, 2023

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2023	Net income (losses) of investee	Percentage of ownership	Share of profits/losses (Note 2(2)B)	Carrying amount as of June 30, 2023	Accumulated inward remittance of earnings in current period
					Outflow	Inflow						
Suzhou Fine Blanking & Tool Co., Ltd.	Products and precision stamping parts for automobiles and special vehicles, and production and sales of other transportation equipment	391,965	Note 1(2) Investment through Superiority Enterprise Corp.	391,965	-	-	391,965	(13,594)	100%	(13,594)	271,334	-

Accumulated investment in mainland China as of June 30, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment
391,965	395,904	1,425,504

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Direct investment in mainland China.

(2) Indirectly investment in mainland China through companies registered in a third region (Please specify the name of the company in third region).

(3) Other methods.

Note 2: In the "Share of profits/losses" column:

(1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements were audited by the auditors of the parent company.

C.Others.

Note 3: The numbers in this table are expressed in NTD.

Table 5: Information on major shareholders

Unit: Share

For the six months ended June 30, 2023

Shareholding / Shareholder's name	Number of common shares	Number of preferred shares	Percentage
Chuan Tai Investment Co., Ltd.	14,462,693		19.11%
GSK Investment Development Co, Ltd.	10,352,725		13.68%
Taiwan Fu Hsing Industrial Co., Ltd.	7,552,867		9.98%
Chuan Dau Investment Co., Ltd.	6,276,668		8.29%
Fubon Life Insurance Co., Ltd.	5,518,940		7.29%

Note: Total shares transferred in dematerialised form (including treasury shares) amounted to 75,661,740 shares ＝ 75,661,740 common shares ＋ 0 preferred shares.