RIGHT WAY INDUSTRIAL CO., LTD. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

RIGHT WAY INDUSTRIAL CO., LTD.

By

LI-YUN SHIEH
Chairman
March 13, 2023

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter of the Group’s consolidated financial statements for the year ended December 31, 2022 is as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (l) and 22, the Group's primary source of revenue is the manufacturing and sale of engine parts, pistons, and forging parts of automobiles and motorcycles. Due to the needs of particular customers, the Group stored a portion of the inventory at the hub warehouse designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, where the revenue is recognized once the customers pick the goods from the warehouse.

Since the Group does not directly manage the hub warehouse, the revenue recognition process usually involves manual work and significantly influences the financial reports. Therefore, the authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

Our audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We understood the design of the internal controls related to revenue from the hub warehouse and tested on a sample basis its operating effectiveness.

2. We obtained the bill of lading for the hub warehouse. To confirm the authenticity of the revenue, we sampled the revenue from the shipment of the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

We have also audited the Standalone financial statements of Right Way Industrial Co. Ltd. as of and for the years ended December 31, 2022, and 2021 on which the other auditor and we have issued an unmodified opinion with other matter paragraph.

Among the subsidiaries included in the consolidated financial statements of the Group, Right Way Industrial (Malaysia) Sdn. Bhd. was not audited by us but was audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for this subsidiary, is based solely on the report of other auditors. The total assets of this subsidiary amounted to $469,744 thousand as of December 31, 2022, accounting for 16.64% of total consolidated assets. Net sales revenue was $140,504 thousand, accounting for 12.31% of the consolidated net sales revenue.

The consolidated financial statements of the Group for the year ended December 31, 2021 were audited by the other auditor who expressed an unmodified opinion with other matter paragraph on those statements on March 29, 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

<u>*Notice to Readers*</u>

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

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

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 255,822	9	$ 253,608	10
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	-	-	65,184	3
Notes receivable (Notes 4, 9, and 22)	26,881	1	35,209	1
Accounts receivable, net (Notes 4, 9 and 22)	224,198	8	231,595	10
Other receivables (Notes 4 and 9)	17,897	1	54,302	2
Inventories (Notes 4 and 10)	430,448	15	415,832	17
Non-current assets held for sale (Note 11)	84,044	3	36,657	1
Other current financial assets - current (Note 32)	1,101	-	20,525	1
Other current assets (Note 16)	49,840	2	41,986	2
Total current assets	1,090,231	39	1,154,898	47
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income-non-current (Notes 4, 8 and 30)	519,578	18	149,559	6
Investments accounted for using the equity method (Notes 4 and 13)	-	-	84,956	4
Property, plant and equipment (Notes 4, 14 and 32)	1,118,423	40	934,406	39
Right-of-use assets (Notes 4, 15 and 32)	-	-	4,295	-
Deferred tax assets (Notes 4 and 24)	82,336	3	96,066	4
Refundable deposits	433	-	3,986	-
Other non-current assets (Note 16)	11,872	-	3,997	-
Total non-current assets	1,732,642	61	1,277,265	53
TOTAL	$ 2,822,873	100	$ 2,432,163	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17, 28 and 32)	$ 52,830	2	$ 357,423	15
Accounts payable (Note 18)	151,727	5	135,601	5
Other payables (Notes 19 and 31)	113,692	4	118,694	5
Liabilities directly associated with disposal groups held for sale (Note 11)	-	-	91,965	4
Current portion of long-term borrowings (Notes 4, 17, 28 and 32)	6,529	-	54,553	2
Other current liabilities (Note 19)	12,574	1	21,624	1
Total current liabilities	337,352	12	779,860	32
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17, 28 and 32)	-	-	478,724	20
Deferred tax liabilities (Notes 4 and 24)	76,990	3	76,990	3
Net defined benefit liabilities - non-current (Notes 4 and 20)	7,744	-	11,000	-
Guarantee deposits	3	-	3	-
Total non-current liabilities	84,737	3	566,717	23
Total liabilities	422,089	15	1,346,577	55
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 21)				
Ordinary shares	2,787,768	99	1,791,618	74
Advance receipts for ordinary shares	110	-	-	-
Total share capital	2,787,878	99	1,791,618	74
Capital surplus	317,088	11	130,134	5
Accumulated deficit	(655,851)	(23)	(750,756)	(31)
Other equity	(117,142)	(4)	(137,346)	(5)
Total equity attributable to owners of the Company	2,331,973	83	1,033,650	43
NON-CONTROLLING INTERESTS (Note 21)	68,811	2	51,936	2
Total equity	2,400,784	85	1,085,586	45
TOTAL	$ 2,822,873	100	$ 2,432,163	100

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 22)	$ 1,141,618	100	$ 1,064,137	100
OPERATING COSTS (Notes 10, 23 and 31)	939,000	82	910,112	86
GROSS PROFIT	202,618	18	154,025	14
OPERATING EXPENSES (Notes 4, 9 and 23)				
Selling and marketing expenses	33,709	3	32,977	3
General and administrative expenses	135,574	12	117,803	11
Research and development expenses	18,086	2	27,957	3
Expected credit loss (gain)	(1,231)	-	5,981	-
Total operating expenses	186,138	17	184,718	17
PROFIT (LOSS) FROM OPERATIONS	16,480	1	(30,693)	(3)
NON-OPERATING INCOME AND EXPENSES (Notes 13, 23, and 31)				
Interest income	2,215	-	591	-
Other income	38,444	4	146,378	13
Other gains and losses	59,669	5	(54,254)	(5)
Finance costs	(11,349)	(1)	(22,765)	(2)
Share of profit of associates	(2,155)	-	(1,224)	-
Total non-operating expenses	86,824	8	68,726	6
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	103,304	9	38,033	3
INCOME TAX EXPENSE (Notes 4 and 24)	11,389	1	2,934	-
NET PROFIT FROM CONTINUING OPERATIONS	91,915	8	35,099	3
NET PROFIT FROM DISCOUNTINUED OPERATIONS	-	-	13,948	2
NET PROFIT FOR THE YEAR	91,915	8	49,047	5
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	9,485	1	-	-
Remeasurement of defined benefit plans	(984)	-	(501)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	197	-	100	-
	8,698	1	(401)	-

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ 16,947	1	$ (19,790)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss	(2,799)	-	3,272	-
	14,148	1	(16,518)	(2)
Other comprehensive income (loss) for the year, net of income tax	22,846	2	(16,919)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 114,761	10	$ 32,128	3
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 95,215	8	$ 42,881	4
Non-controlling interests	(3,300)	-	6,166	1
	$ 91,915	8	$ 49,047	5
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 115,109	10	$ 29,395	3
Non-controlling interests	(348)	-	2,733	-
	$ 114,761	10	$ 32,128	3
EARNINGS PER SHARE (Note 25)				
From continuing and discontinued operations				
Basic	$ 0.43		$ 0.26	
Diluted	$ 0.43		$ 0.26	
From continuing operations				
Basic	$ 0.43		$ 0.21	
Diluted	$ 0.43		$ 0.21	

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

(With Deloitte & Touche auditors’ report dated March 13, 2023)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owner of the Company								
	Share Capital				Other Equity				
	Ordinary Shares	Advance Receipts	Capital Surplus	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	$ 1,631,618	$ -	$ 139,516	$ (793,236)	$ (124,261)	$ -	$ 853,637	$ 49,203	$ 902,840
Issuance of ordinary shares for cash (Note 21)	160,000	-	(12,160)	-	-	-	147,840	-	147,840
Compensation cost of employee share options (Note 26)	-	-	2,778	-	-	-	2,778	-	2,778
Net profit for the year ended December 31, 2021	-	-	-	42,881	-	-	42,881	6,166	49,047
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	(401)	(13,085)	-	(13,486)	(3,433)	(16,919)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	42,480	(13,085)	-	29,395	2,733	32,128
BALANCE AT DECEMBER 31, 2021	1,791,618	-	130,134	(750,756)	(137,346)	-	1,033,650	51,936	1,085,586
Issuance of ordinary shares for cash	990,000	-	185,880	-	-	-	1,175,880	-	1,175,880
Issuance of employee share options (Note 26)	6,150	110	2,191	-	-	-	8,341	-	8,451
Disposal of subsidiaries (Note 27)	-	-	-	-	-	-	-	17,223	17,223
Net profit for the year ended December 31, 2022	-	-	-	95,215	-	-	95,215	(3,300)	91,915
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	(787)	11,196	9,485	19,894	2,952	22,846
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	94,428	11,196	9,485	115,109	(348)	114,761
Disposal of financial assets at fair value through other comprehensive income (Note 8)	-	-	-	477	-	(477)	-	-	-
Compensation cost of employee share options (Note 26)	-	-	(1,117)	-	-	-	(1,117)	-	(1,117)
BALANCE AT DECEMBER 31, 2022	$ 2,787,768	$ 110	$ 317,088	$ (655,851)	$ (126,150)	$ 9,008	$ 2,331,863	$ 68,811	$ 2,400,784

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 103,304	$ 38,033
Income before income tax from discontinued operations	-	13,948
Income before income tax	103,304	51,981
Adjustments for:		
Depreciation expenses	59,515	92,446
Amortization expenses	-	3,255
Expected credit loss (gain) recognized on trade receivables	(1,231)	5,981
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(14,234)	15,858
Finance costs	11,349	22,765
Interest income	(2,215)	(591)
Compensation cost of employee share options	(1,117)	2,778
Share of profit of associates	2,155	1,224
Loss (gain) on disposal of property, plant and equipment	30,844	(416)
Gain on disposal of subsidiaries	(59,710)	-
Gain on derecognized non-current assets held for sell groups	(37,774)	-
Impairment loss on property, plant, equipment	1,875	18,704
Impairment loss on intangible assets	-	4,497
Write-down of inventories	8,245	8,549
Gain on lease modifications	-	(7,327)
Changes in operating assets and liabilities:		
Notes receivable	8,328	(24,054)
Accounts receivable	(3,679)	(47,725)
Other receivables	35,040	(10,321)
Inventories	(50,730)	(13,046)
Other current assets	(8,615)	32,773
Notes payable	-	(599)
Accounts payable	16,406	35,907
Other payables	(4,173)	32,396
Other current liabilities	(8,878)	(484)
Net defined benefit obligation	(4,240)	(4,882)
Cash generated from operations	80,465	219,669
Interest received	2,215	591
Interest paid	(11,349)	(22,765)
Income tax paid	(154)	(456)
Net cash generated from operating activities	71,177	197,039
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(434,511)	(149,559)
Purchases of financial assets at fair value through profit or loss	(10,619)	(43,670)
Proceeds from sale of financial assets at fair value through other comprehensive income	73,977	-
Proceeds from sale of financial assets at fair value through profit or loss	90,037	29,253
Proceeds from disposal of subsidiaries	276,438	-

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Acquisition property, plant and equipment	$ (463,332)	$ (71,676)
Proceeds from disposal of property, plant and equipment	44,858	1,124
Decrease in other receivables	-	67,721
Increase in other receivables due from related parties	-	(11,592)
Increase in other financial assets	-	(4,564)
Decrease in other financial assets	18,863	-
Decrease in other non-current assets	(34)	1,406
Net cash used in investing activities	(404,323)	(181,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(308,832)	(92,824)
Proceeds from long-term debt	230,000	150,000
Repayments of long-term debt	(757,220)	(63,705)
Increase in other payables to related parties	-	11,592
Decrease in other payables to related parties	(11,598)	-
Repayments of lease liabilities	-	(448)
Decrease in long-term notes and bills payable	-	(14,580)
Proceeds from issuing shares	1,184,331	147,840
Net cash generated from financing activities	336,681	137,875
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,321)	(10,340)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,214	143,017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	253,608	111,044
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 255,822	$ 254,061
Cash and cash equivalents reported in the statement of financial position	$ 255,822	$ 253,608
Non-current assets (or disposal groups) classified as held for distribution to owners	-	453
Cash and cash equivalents at the end of the year	$ 255,822	$ 254,061

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") was incorporated in March 1965, and is mainly engaged in the manufacturing and retail sale of engine, parts of automobile and motorcycles, pistons, piston rings and its accessories, components for steering systems, crankshafts, chains, camshafts, and machine tools.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since August 1980.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 13, 2023.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: The seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (including its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Refer to Note 12 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., 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 retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar 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 are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

f. Inventories

Inventories consist of raw material, work in progress, semi-finished goods, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of impairment loss shall be recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

h. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use 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.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 corresponding 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 on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

k. 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 included in the initially recognized amount of the financial assets.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable including related parties, other receivables, refundable deposits including recognized in other current assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a 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 ECLs.

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

For internal credit risk management purposes, the Group considers that internal or external information that shows the debtor is unlikely to pay its creditors as indication that a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of automobile parts. Sales of goods are recognized as revenue when the conditions of sales are satisfied because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. Advance receipts are recognized as a contract liability until trade terms have been reached.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group’s defined benefit plans.

p. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on 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 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 accounting policies adopted by the Group do not involve material accounting judgments, estimates and assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 1,950	$ 969
Checking accounts and demand deposits	229,304	252,639
Cash equivalents (investments with original maturities of 3 months or less)		
Demand deposits	9,213	-
Repurchase agreements collateralized by bonds	15,355	-
	$ 255,822	$ 253,608

The interest rate of demand deposits and repurchase agreements collateralized by bonds as of December 31, 2022 is 4% and 3.75%, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – FOR THE YEAR ENDED DECEMBER 31, 2021

	Amount
Financial assets at fair value through profit or loss (FVTPL) - current	
Financial assets mandatorily classified as at FVTPL	
Non-derivative financial assets	
Domestic listed shares	$ 65,184

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
Non-current		
Domestic investments		
Listed shares	$ 239,376	$ -
Unlisted shares	280,202	149,559
	$ 519,578	$ 149,559

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

	December 31	
	2022	2021
Notes receivable		
At amortized cost from operations	$ 26,881	$ 35,209
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 224,198	$ 296,799
Less: Allowance for impairment loss	-	(65,204)
	$ 224,198	$ 231,595
Other receivables		
Loans to related parties	$ 12,367	$ 11,598
Purchase of equipment	-	29,274
Others	5,530	13,430
	$ 17,897	$ 54,302

Notes receivable

As of December 31, 2022 and 2021, the Group measured the expected credit losses on notes receivable based on the number of days overdue. No notes receivables are overdue; therefore, no expected credit loss has been recognized.

Account receivable

The average credit period of sales of goods was 30-120 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments except when the debtor shows signs of default, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.02%	0.15% ~ 0.75%	1.56% ~ 100%	
Gross carrying amount	$ 189,735	$ 34,273	$ 190	$ 224,198
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 189,735	$ 34,273	$ 190	$ 224,198

December 31, 2021

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0% ~ 0.03%	0% ~ 9%	5.12% ~ 100%	
Gross carrying amount	$ 206,712	$ 24,202	$ 65,885	$ 296,799
Loss allowance (Lifetime ECLs)	(9)	(64)	(65,131)	(65,204)
Amortized cost	$ 206,703	$ 24,138	$ 754	$ 231,595

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

	For the Year Ended December 31, 2022	2021
Balance at January 1	$ 65,204	$ 89,177
Net remeasurement of loss allowance (Amount recovered)	(1,231)	5,981
Less: Amounts written off	(65,022)	(16,720)
Less: Transferred to non-current asset held for sale	-	(12,619)
Foreign exchange gains and losses	1,049	(615)
Balance at December 31	$ -	$ 65,204

10. INVENTORIES

	December 31 2022	2021
Merchandise	$ 108,632	$ 68,606
Finished good	138,168	154,509
Work in process and semi-finished goods	121,941	127,177
Material	61,707	65,540
	$ 430,448	$ 415,832

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was $939,000 thousand and $910,112 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 included provisions for loss on inventories of $8,245 thousand and $8,549 thousand, respectively.

11. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

a. Discontinued operations - for the year ended December 31, 2021

The Group's subsidiary, Excellent Growth Investments Limited., resolved at the board meeting on January 12, 2021, agreeing to dispose of 77% of the common stock of Admiral Skill Limited and all of the preferred stock of Joint Fortune Company.

Since IFRS 5, “Non-current Asset Held for Sale and Discontinued Operations”, is applicable in this transaction, the assets were reclassified from disposal assets to non-current assets held for sale. Also, as it meets the definition of discontinued operations, it is presented as discontinued operations.

The details of profit (loss) from discontinued operations and the related cash flow information were as follows:

	For the Year Ended December 31, 2021
Other revenue, net income before tax and profit from discontinued operations	$ 13,948
Profit (loss) from discontinued operations attributable to:	$ -
Owners of the Company	8,096
Non-controlling interest	5,852
	$ 13,948

Note: No cash flow was generated from the discontinued operations.

b. Disposal groups held for sale - for the year ended December 31, 2021

	December 31, 2021
Non-current assets held for sale	$ 36,657
Liabilities directly associated with disposal groups classified as held for sale	$ 91,965

The details of the related non-current assets and liabilities held for sale were as follows:

	December 31, 2021
Cash and cash equivalents	$ 453
Financial assets at amortized cost - current	331
Other receivables	78
Other current assets	2,607
Property, plant and equipment	33,188
Non-current assets held for sale	$ 36,657
Accounts payable	$ 9,427
Other payable	81,725
Other current liabilities	813
Liabilities directly associated with disposal groups classified as held for sale	$ 91,965

On August 23, 2022, the Group obtained a bankruptcy petition ruling of Shanghai Unimax Precision Metal Forming Products Co., Ltd., which Admiral Skill Limited invested in. Therefore, the Group derecognized the book value of the disposal group held for sale and recognized a gain on disposal that amounted to $37,774 thousand (presented in other gains and losses). The book value previously mentioned included non-controlling interests.

c. Investments accounted for using the equity method held for sale - for the year ended December 31, 2022

	December 31, 2022
Long term equity investments held for sale	$ 84,044

The Group entered into an agreement in December 2022 with the buyer, agreeing to dispose of 31.66% of its shareholdings of Right Way Auto Parts (Fuzhou) Co., Ltd. to non-related parties. Thus, the related assets are classified under non-current assets held for sale. Since the proceeds exceeded the associated assets' carrying amounts, no impairment loss shall be recognized while classifying the assets as non-current assets held for sale.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership December 31		
Investor	Investee	Nature of Activities	2022	2021	Remark
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Producer of quality pistons for motorcycles, commercial vehicles, automobiles, etc.	79.63%	79.63%	
	Excellent Growth Investments Limited	Investment business	100.00%	100.00%	
	Right Way North America Inc.	Trading of automobiles engine parts.	100.00%	100.00%	
	RIGHT WAY GLOBAL CO., LTD.	Trading of automobiles.	100.00%	100.00%	
	Wealth Cosmo Limited	Trading of automobiles.	-	100.00%	1)
	Smart Media Technology Co., Ltd.	Trading of electronic devices.	-	100.00%	2)
	Yao Sheng Green Energy Co., Ltd.	Solar Engineering	-	100.00%	3)
	Yao Guang Green Power Co., Ltd.	Solar Engineering	-	100.00%	4)
	Yao Yang Electric Co., Ltd.	Solar Engineering	-	100.00%	4)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Producer of connecting rod.	89.50%	89.50%	
Excellent Growth Investments Limited	Right Way Auto parts (Fu Zhou) Co., Ltd.	Manufacture of piston steering system for automobile and motorcycle.	-	100.00%	5)
Right Way Auto parts (Fuzhou) Co., Ltd.	Fuzhou Weibao International Trade Co., Ltd.	Hardware products, raw material for rubber, electronic devices and machinery.	-	100.00%	6)
Excellent Growth Investments Limited	Admiral Skill Limited.	Investment business	-	77.00%	7)
Admiral Skill Limited.	Joint Fortune Company	Investment business	-	89.28%	7)
Joint Fortune Company	Shanghai Unimax Precision Metal Forming Co., Ltd.	Development and manufacture of hydroformed parts for OEMs	-	100.00%	7)

1) Wealth Cosmo Limited applied for liquidation and returned capital on May 30, 2022, and obtained the proof of registration of annulment.

2) Sold on May 3, 2022.

3) Dissolved on January 12, 2022, and completed liquidation on July 28, 2022.

4) Dissolved on January 11, 2022, and completed liquidation on July 28, 2022.

5) Sold on June 30, 2022.

6) Completed liquidation on June 29, 2022.

7) Reclassified to non-current assets held for sale and liabilities directly associated with non-current assets held for sale and were derecognized in September 2022. Refer to Note 11 for information on non-current assets held for sale.

b. Details of subsidiaries that have significant non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
Name of subsidiary	**December 31, 2022**	**December 31, 2021**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	20.37%	20.37%

	Profit (Loss) Allocated to Non-controlling Interests	
Name of subsidiary	**For the year ended December 31**	
	2022	**2021**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ 21	$ (3,301)

	Accumulated non-controlling interests	
Name of subsidiary	**December 31, 2022**	**December 31, 2021**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ 68,811	$ 68,790

The following financial information of each subsidiary is prepared before intragroup eliminations:

Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries

	December 31, 2022	December 31, 2021
Current assets	$ 258,432	$ 275,777
Non-current assets	240,150	224,131
Current liabilities	(161,531)	(153,497)
Non-current liabilities	-	(6,723)
Equity	$ 337,051	$ 339,688
Equity attribute to:		
Owner of the company	$ 268,240	$ 270,898
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	68,631	69,311
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	180	(521)
	$ 337,051	$ 339,668

	For the Year Ended December 31 2022	2021
Revenue	$ 294,338	$ 228,884
Net profit(loss) for the year	$ (18,968)	$ 3,090
Other comprehensive income (loss) for the year	16,330	(17,795)
Total comprehensive income (loss) for the year	$ (2,638)	$ (14,705)
Profit(loss) attribute to:		
Owner of the company	$ (15,668)	$ 2,776
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	(4,068)	710
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	708	(396)
	$ (18,968)	$ 3,090
Total comprehensive income (loss) attributed to:	$ (2,659)	$ (11,404)
Owner of the company	(680)	(2,918)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	701	(383)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	$ (2,638)	$ (14,705)
Cash inflow (outflow) from:		
Operating activities:	$ 30,481	$ 20,542
Investing activities:	2,458	(144)
Financing activities:	(30,159)	(6,716)
Net cash inflow (outflow)	$ 2,780	$ 13,682

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in associates that are not individually material	$ -	$ 84,956

The information of associates that are not individually material is summarized below:

	December 31	
	2022	2021
The Group's share of:		
Total comprehensive income for the year	$ (2,155)	$ (1,224)

All associates mentioned above were accounted for using the equity method by the Group.

The Group reclassified investments accounted for using the equity method to non-current assets. Refer to Note 11 for further details.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery equipment	Mold equipment	Other equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2021	$ 386,960	$ 555,404	$ 1,549,186	$ 181,481	$ 198,166	$ 12,324	$ 2,883,521
Additions	-	505	9,815	2,915	2,000	2,072	17,307
Disposal	-	(2,183)	(1,894)	(1,191)	(1,843)	(167)	(7,278)
Reclassification	-	3,795	-	3,650	(3,582)	(14,222)	(10,359)
Reclassified to non-current assets held for sale (Note 11)	-	-	(280,976)	(89,577)	(11,997)	-	(382,550)
Effects of foreign currency exchange	(6,097)	(6,131)	(28,728)	(706)	(1,578)	(1)	(43,241)
Balance at December 31, 2021	$ 380,863	$ 551,390	$ 1,247,403	$ 96,572	$ 181,166	$ 6	$ 2,457,400
Accumulated Depreciation and impairment							
Balance at January 1, 2021	$ -	$ 265,472	$ 1,219,684	$ 164,964	$ 147,058	$ -	$ 1,797,178
Depreciation expenses	-	23,878	52,241	6,405	9,280	-	91,804
Impairment loss	-	-	18,474	7	223	-	18,704
Disposal	-	(2,183)	(1,894)	(1,191)	(1,302)	-	(6,570)
Reclassification	-	-	-	1,797	(1,797)	-	-
Reclassified to non-current assets held for sale (Note 11)	-	-	(252,661)	(89,312)	(7,389)	-	(349,362)
Effects of foreign currency exchange	-	(2,829)	(23,941)	(689)	(1,301)	-	(28,760)
Balance at December 31, 2021	$ -	$ 284,338	$ 1,011,903	$ 81,981	$ 144,772	$ -	$ 1,522,994
Carrying amount at December 31, 2021	$ 380,863	$ 267,052	$ 235,500	$ 14,591	$ 36,394	$ 6	$ 934,406
Cost							
Balance at January 1, 2022	$ 380,863	$ 551,390	$ 1,247,403	$ 96,572	$ 181,166	$ 6	$ 2,457,400
Additions	395,927	752	8,677	565	3,431	59,577	468,929
Disposal	-	(5,912)	(327,297)	(16,465)	(33,461)	-	(383,135)
Disposal of subsidiaries (Note 27)	-	(195,825)	(182,797)	(5,836)	(43,020)	-	(427,478)
Effects of foreign currency exchange	5,748	8,580	28,240	126	2,167	-	44,861
Balance at December 31, 2022	$ 782,538	$ 358,985	$ 774,226	$ 74,962	$ 110,283	$ 59,583	$ 2,160,577

(Continued)

	Land	Buildings	Machinery equipment	Mold equipment	Other equipment	Construction in Progress	Total
Accumulated Depreciation and impairment							
Balance at January 1, 2022	$ -	$ 284,338	$ 1,011,903	$ 81,981	$ 144,772	$ -	$ 1,522,994
Depreciation expenses	-	15,187	33,790	3,775	6,687	-	59,439
Impairment loss	-	-	1,875	-	-	-	1,875
Disposal	-	(2,716)	(263,380)	(16,202)	(25,135)	-	(307,433)
Disposal of subsidiaries (Note 27)	-	(106,660)	(117,456)	(4,724)	(36,134)	-	(264,974)
Effects of foreign currency exchange	-	4,334	23,942	97	1,880	-	30,253
Balance at December 31, 2022	$ -	$ 194,483	$ 690,674	$ 64,927	$ 92,070	$ -	$ 1,042,154
Carrying amount at December 31, 2022	$ 782,538	$ 164,502	$ 83,552	$ 10,035	$ 18,213	$ 59,583	$ 1,118,423

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	20-50 years
Others	3-20 years
Machinery equipment	1-20 years
Molding equipment	2-35 years
Other equipment	2-21 years

The Group recognized impairment loss that amounted to $1,875 thousand for the machinery equipment that are no longer usable in April 2022. The Group's sale of some of the products, including pistons, connecting rods, aluminium forgings, and hydroformed fittings, is not as expected. Thus, the Group expected the future economic benefits of the machinery equipment used to produce those products to decrease, causing its recoverable amount to be lower than the book value. Therefore, an impairment loss of $18,704 thousand was recognized in 2021.

The Group held $7,483 thousand of agricultural land at Baojia section, Rende Dist., Tainan City, as the factory building, which was registered under the name of the related party of the Group's chairman and was pledged as collateral by the Group.

The Group purchased the land located at Fuhai section, Luzhu Dist., Taoyuan City that amounted to $395,804 thousand from non-related parties in July 2022, and part of it was registered as agricultural and farmland. As of December 31, 2022, the Group had entered into a contract with the related party of the Group's chairman to use the related party’s name for real estate registration.

Refer to Note 32 for the amount of owner-occupied property, plant, and equipment that was pledged as collateral.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	**2021**
Carrying amount		
Land	$ -	$ 4,295

Refer to Note 32 for details of the above right-of-use assets pledged as collateral for loans and financing facilities from the bank and leasing company.

	For the Year Ended December 31	
	2022	2021
Depreciation charge for right-of-use assets		
Land	$ 76	$ 642

Despite the information above, there is no material sublease or impairment of right-of use assets in 2022 and 2021.

b. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term and low-value leases	$ 1,136	$ 1,809
Total cash outflow for leases	$ 1,136	$ 2,257

16. OTHER ASSETS

	December 31	
	2022	2021
Current		
Supplies	$ 7,918	$ 13,161
Prepayments	29,765	25,798
Input VAT	6,774	-
Prepayments for goods	5,044	2,657
Others	339	370
	$ 49,840	$ 41,986
Non-current		
Prepayments for equipment	$ 7,919	$ 78
Others	3,953	3,919
	$ 11,872	$ 3,997

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 32)		
Bank borrowings	$ 52,830	$ 357,423

The interest rate ranges of short-term borrowings at the end of December 31, 2022 and December 31, 2021 were 3.25% ~ 6.97% and 2% ~ 7.59%, respectively.

b. Long-term borrowings

The details of the Group’s long-term borrowings were as follows:

	December 31, 2022			
	Currency	**Interest rate interval**	**Date of maturity**	**Amount**
Secured bank borrowings	MYR	3.38% ~ 4.59%	2023.10.20	$ 6,529
Less: Current portion				(6,529)
Long-term borrowings				$ -

	December 31, 2021			
	Currency	**Interest rate interval**	**Date of maturity**	**Amount**
Secured bank borrowings	NTD	2.00% ~ 2.14%	2023.04.12 ~ 2024.02.17	$ 519,000
	MYR	3.38% ~ 3.98%	2023.10.20	14,277
Less: Current portion				(54,553)
Long-term borrowings				$ 478,724

18. ACCOUNTS PAYABLE

Accounts payable were generated from operating activities. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	December 31	
	2022	**2021**
Current		
Other payables		
Payables for salaries or bonuses	$ 36,295	$ 15,790
Payables for outsourced manufacturing overhead	18,982	13,537
Payables for equipment	14,384	946
Payables for annual leave	8,405	8,673
Payables for service cost	2,403	25,738
Payables for spares fee	6,306	5,565
Loans from related parties (Note 31)	-	11,598
Others	26,917	36,847
	$ 113,692	$ 118,694
Other current liabilities		
Contract liabilities	$ 10,572	$ 8,326
Others	2,002	13,298
	$ 12,574	$ 21,624

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group's domestic consolidated entities adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group's subsidiaries in China and Malaysia are members of a state-managed retirement benefit plan operated by each government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 101,354	$ 98,181
Fair value of plan assets	(93,610)	(87,181)
Net defined benefit liabilities	$ 7,744	$ 11,000

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 110,369	$ (94,988)	$ 15,381
Service cost			
Current service cost	31	-	31
Net interest expense (income)	546	(481)	65
Recognized in profit or loss	577	(481)	96
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,575)	(1,575)
Actuarial loss - changes in demographic assumptions	2,420	-	2,420
Actuarial gain - changes in financial assumptions	(1,235)	-	(1,235)
Actuarial loss - experience adjustments	891	-	891
Recognized in other comprehensive income	2,076	(1,575)	501
Contributions from the employer	-	(4,978)	(4,978)
Benefits paid	(14,841)	14,841	-
Balance at December 31, 2021	98,181	(87,181)	11,000
Service cost			
Current service cost	31	-	31
Net interest expense (income)	614	(560)	54
Recognized in profit or loss	645	(560)	85
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,219)	(7,219)
Actuarial gain - changes in financial assumptions	(2,536)	-	(2,536)
Actuarial loss - experience adjustments	10,739	-	10,739
Recognized in other comprehensive income	8,203	(7,219)	984
Contributions from the employer	-	(4,325)	(4,325)
Benefits paid	(5,675)	5,675	-
Balance at December 31, 2022	$ 101,354	$ (93,610)	$ 7,744

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 80	$ 91
Operating expenses	5	5
	$ 85	$ 96

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the [government/corporate] bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

   The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2022	**2021**
Discount rate(s)	1.375%	0.625%
Expected rate(s) of salary increase	2.000%	1.500%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rate(s)		
0.25% decrease	$ (2,332)	$ (2,453)
0.25% increase	$ 2,417	$ 2,545
Expected rate(s) of salary increase/decrease		
0.25% decrease	$ 2,358	$ 2,478
0.25% increase	$ (2,287)	$ (2,401)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Expected contributions to the plans for the next year	$ 4,495	$ 4,711
Average duration of the defined benefit obligation	9.3 years	10.1 years

21. EQUITY

a. Ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	500,000	400,000
Shares authorized	$ 5,000,000	$ 4,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	278,777	179,162
Publicly traded shares	$ 1,337,768	$ 1,331,618
Privately issued shares	1,450,000	460,000
Shares issued and fully paid	$ 2,787,768	$ 1,791,618
Advance receipts for share capital	$ 110	$ -

On July 19, 2021, the Company's board of shareholders resolved and authorized to issue through private issuance with the limit of three instalments of not more than 100,000 thousand ordinary shares with a par value of $10. On December 1, 2021, the Company issued through private issuance of 16,000 thousand common shares with a discounted value of $9.24 per share, which amounted to $147,840 thousand. The above transaction and the legal registration have both been completed.

On April 15, 2022, the Company issued through private issuance of 84,000 thousand common shares with a premium price of $11.32 per share, which amounted to $950,880 thousand. The above transaction and the change of registration have both been completed.

On June 20, 2022, the Company's board of shareholders resolved and authorized to issue through private issuance with the limit of three instalments of not more than 100,000 thousand ordinary shares with a par value of $10. On December 5, 2022, the Company issued through private issuance of 15,000 thousand common shares with a premium price of $15 per share, which amounted to $225,000 thousand. The above transaction and the legal registration have both been completed.

As mentioned above, a total of 99,000 thousand of shares have been issued for cash, and the share capital increase amounted to $990,000 thousand.

The Company's employees exercised stock options of 626 thousand shares at the price of $13.5 per share, which amounted to $8,451 thousand. As of December 31, 2022, the application of share capital alteration of 615 thousand shares with the Ministry of Economic Affairs had been completed, whereas the alteration of the remaining 11 thousand shares had not been completed and was presented as advance receipts for share capital.

On January 13, 2023, the Company issued through private issuance of 22,000 thousand common shares with a premium price of $15 per share, which amounted to $315,000 thousand and was fully received on January 13, 2023, which is set as the record date. The related legal registration process is still in progress.

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

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 310,837	$ 122,766
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,842	2,842
May not be used for any purpose		
Employee share options	3,409	4,526
	$ 317,088	$ 130,134

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit; however, once the legal reserve has reached the Company's paid-in capital, no further reserve shall be made, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Refer to Note 23 (g) Employees' compensation and remuneration of directors for the appropriation policy of employees and directors as set forth in the Articles.

In addition, as set forth in the Articles, the Company's dividends policy considers its operating environment, industry developments, and sustainable development as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the share or cash dividends to be paid, of which cash dividends shall not be less than 50% of the total dividends paid.

As the Company had accumulated deficits in both 2022 and 2021, on June 20, 2022 and July 9, 2022, the shareholders resolved that the Company shall make no appropriations.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (137,346)	$ (124,261)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	11,196	(13,085)
Balance at December 31	$ (126,150)	$ (137,346)

2) Unrealized gain (loss) on financial assets at FVTOCI - for the year ended December 31, 2022

	Amount
Balance at January 1	$ -
Recognized for the year	
Unrealized gain (loss)	9,485
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(477)
Balance at December 31	$ 9,008

e. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 51,936	$ 49,203
Share in profit for the year	(3,300)	6,166
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	2,952	(3,433)
Disposal of subsidiaries	17,223	-
Balance at December 31	$ 68,811	$ 51,936

22. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,141,618	$ 1,064,137

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 26,881	$ 35,209	$ 11,155
Accounts receivable	$ 224,198	$ 231,595	$ 189,276
Contract liabilities (presented under other current liabilities)	$ 10,572	$ 8,326	$ 11,925

b. Disaggregation of revenue

	For the Year Ended December 31	
	2022	2021
Automotive parts and components	$ 816,484	$ 735,443
Processing	73,519	122,859
Others	251,615	205,835
	$ 1,141,618	$ 1,064,137

23. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 1,408	$ 142
Interest on loan from related parties	807	283
Others	-	166
	$ 2,215	$ 591

b. Other income

	For the Year Ended December 31	
	2022	2021
Litigation compensation income	$ -	$ 125,815
Litigation fees returned	2,437	-
Rental income	2,039	-
Mold designing income (Note 31)	6,400	-
Temporary credits recognized as income	6,312	-
Compensation income	7,525	-
Debt recognized as income	-	10,045
Others	13,731	26,874
Less: discontinued operations	-	(16,356)
	$ 38,444	$ 146,378

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	$ (30,844)	$ 416
Impairment loss on intangible assets	-	(4,497)
Net foreign exchange gains and losses	27,077	(4,671)
Gain on disposal of subsidiaries	59,710	-
Gain on derecognized non-current held for sell groups	37,774	-
Gain (loss) from financial assets at fair value through profit or loss	14,234	(15,858)
Impairment loss on property, plant and equipment	(1,875)	(18,704)
Gain from lease modification	-	7,327
Severance payments	(38,068)	-
Others	(8,339)	(20,675)
Less: discontinued operations	-	2,408
	$ 59,669	$ (54,254)

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 11,349	$ 22,765

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 59,439	$ 91,804
Right-of-use assets	76	642
Intangible assets	-	3,225
	$ 59,515	$ 95,671
An analysis of depreciation by function		
Operating costs	$ 47,597	$ 69,200
Operating expenses	11,918	23,246
	$ 59,515	$ 92,446
An analysis of amortization by function		
Operating expenses	$ -	$ 3,225

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 234,693	$ 225,188
Post-employment benefits		
Defined contribution plans	8,357	10,044
Defined benefit plans (Note 20)	85	96
	$ 234,135	$ 235,328
An analysis of employee benefits expense by function		
Operating costs	$ 146,867	$ 156,116
Operating expenses	96,268	79,212
	$ 243,155	$ 235,328

g. Employees’ compensation and remuneration of directors

According to the Company’s Articles, the Company accrues employees’ compensation and remuneration of directors at rates from 0.1% to 3% and no higher than 1.5%, respectively, of net profit before income tax. However, if the Company still had an accumulated deficit, it shall first set aside the amount for offset of deficit. Since the Company had an accumulated deficit in both 2022 and 2021, no employees’ compensation and remuneration of directors are accrued. Related information could be found at the Market Observation Post System of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 41,989	$ 6,070
Foreign exchange losses	(14,912)	(10,741)
Net gains (losses)	$ 27,077	$ (4,671)

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 261	$ 213
Deferred tax		
In respect of the current year	11,128	2,721
	$ 11,389	$ 2,934

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 103,304	$ 51,981
Income tax expense calculated at the statutory rate	$ 20,661	$ 10,396
Nondeductible expenses in determining taxable income	963	6,987
Tax-exempt income	(10,191)	-
Unrecognized loss carryforwards and deductible temporary differences	711	(13,026)
Effect of different tax rates of group entities operating in other jurisdictions	(755)	(1,726)
Others	-	303
	$ 11,389	$ 2,934

The corporate tax rate applicable to subsidiaries in China and Malaysia is 25% and 24%, respectively. Tax rates used by other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Deferred tax assets and liabilities

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Defined benefit plans	$ 2,083	$ (848)	$ 197	$ 1,432
Unrealized investment loss	28,915	(623)	-	28,292
Exchange differences on translating the financial statements of foreign operations	34,336	-	(2,799)	31,537
Unrealized exchange losses	-	702	-	702
Idle capacity	-	163	-	163
Others	7,133	(3,144)	-	3,989
	72,467	(3,750)	(2,602)	66,115
Tax losses	23,599	(7,378)	-	16,221
	$ 96,066	$ (11,128)	$ (2,602)	$ 82,336
Deferred Tax Liabilities				
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Defined benefit plans	$ 2,959	$ (976)	$ 100	$ 2,083
Unrealized investment loss	51,777	(22,862)	-	28,915
Exchange differences on translating the financial statements of foreign operations	31,064	-	3,272	34,336
Others	9,197	(2,064)	-	7,133
	94,997	(25,902)	3,372	72,467
Tax losses	24,319	(720)	-	23,599
	$ 119,316	$ (26,622)	$ 3,372	$ 96,066
Deferred Tax Liabilities				
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990
Unrealized investment gain	23,800	(23,800)	-	-
Others	101	(101)	-	-
	$ 100,981	$ (23,901)	$ -	$ 76,990

c. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Loss carryforwards of the Company		
Expiry in 2023	$ -	$ 59,021
Expiry in 2024	-	15,030
Expiry in 2026	-	24,767
	$ -	$ 98,818
Loss carryforwards of subsidiaries		
Expiry in 2024	$ 8,481	$ 8,481
Expiry in 2026	19	19
Expiry in 2027	63	63
Expiry in 2028	63	63
Expiry in 2029	53	53
Expiry in 2030	51	9,330
Expiry in 2031	54	27,444
Expiry in 2032	75	-
	$ 8,859	$ 45,453

(Continued)

	December 31	
	2022	2021
Deductible temporary differences		
Unrealized loss of subsidiaries	$ 158,458	$ 154,345
Others	3,594	9,091
	$ 162,052	$ 163,436

(Concluded)

d. Information on unused loss carryforwards

Loss carryforwards of the Company as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 33,103	2029
48,004	2030
$ 81,107	

Loss carryforwards of subsidiaries as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 8,481	2024
19	2026
63	2027
63	2028
53	2029
51	2030
54	2031
75	2032
$ 8,859	

e. Income tax assessments

Tax returns of the Company and its domestic subsidiaries income through 2020 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	2021
Profit for the year attributable to owners of the Company	$ 95,215	$ 42,881
Less: Profit or loss from discontinued operations	-	(8,096)
Profit (loss) from continuing operations	$ 95,215	$ 34,785

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	219,225	163,995
Effect of potentially dilutive ordinary shares:		
Bonuses for employees	196	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	219,421	163,995

Since the exercise price is greater than the market price, which will result in an anti-dilutive effect, the employee stock options are excluded when computing the diluted weighted average shares of ordinary shares outstanding in 2021.

26. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company were granted 2,300 units and 1,000 units of options in January 2019 and November 2016, respectively, where each option entitles the holder with the right to subscribe for 1,000 ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price of at least 75% of the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange at the grant date, during which the board of directors will decide the actual exercise price. In addition, the exercise price is adjusted accordingly for any subsequent changes in the Company's ordinary shares or when a cash dividend is being paid.

Options granted in January 2019 and November 2016 are priced using the Pseudo American Option pricing model, and the inputs to the model are as follows:

	January 2019	November 2016
Grant-date share price	$ 21.30	$ 14.15
Exercise price	$ 15.98	$ 12.00
Expected volatility	29.98%	28.599%
Expected life (in years)	5	5
Expected dividend yield	-	-
Risk-free interest rate	0.54% - 0.73%	0.51% - 0.73%

Expected volatility is based on the historical share price volatility in the past 5 years.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)
Balance at January 1	$ 14.79	1,505	$ 14.27	2,033
Options granted	14.79	40	-	-
Options losses	13.49	(264)	11.76	(67)
Options expected to expire	-	-	11.76	(461)
Options exercised	13.53	(626)	-	-
Balance at December 31	13.4	655	14.79	1,505
Balance allowed for exercise of options at December 31	13.4	263	14.79	376

27. DISPOSAL OF SUBSIDIARY - RIGHTWAY AUTOPARTS (FUZHOU) CO., LTD.

The Group entered into a sales agreement on June 30, 2022 to dispose of 100% of the shares of Rightway Autoparts (Fuzhou) Co., Ltd., which manufactures the piston steering system for automobiles and motorcycles. The disposal was completed on June 30, 2022, on which date the control of the subsidiary transferred to the acquirer.

a. Consideration received from disposal

	Amount
Consideration received in cash	$ 276,338

b. Analysis of assets and liabilities on the date control was lost

	Amount
Current assets	$ 13,350
Accounts receivable and other receivables	
Inventory	27,868
Other current assets	4,364
Non-current assets	
Property, plant and equipment	162,504
Right-of-use assets	4,312
Guarantee deposits paid	4,444
Current liabilities	
Other payables	(242)
Net assets disposed of	$ 216,600

c. Gain on disposal of the subsidiary

		Amount
Consideration received	$	276,338
Net assets disposed of		216,600
Gain on disposal	$	59,738

d. Net cash inflow on disposal of the subsidiary

		Amount
Consideration received in cash	$	276,338

28. CASH FLOW INFORMATION

a. Non-cash transactions

The Group entered into the following non-cash investing activities:

	December 31			
		2022		2021
Increase in property, plant and equipment	$	468,929	$	17,307
Decrease (increase) in payables for equipment		(13,438)		54,369
Increase in prepayments for equipment		7,841		-
	$	462,332	$	71,676

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2022

			Non-cash Changes		
	Opening Balance	Cash Flows	Effect of Exchange Rate Changes	New (expired) Leases	Closing Balance
Short-term borrowings	$ 357,423	$ (308,832)	$ 4,239	$ -	$ 52,830
Long-term borrowings	533,277	(527,220)	472	-	6,529
	$ 890,700	$ (836,052)	$ 4,711	$ -	$ 59,359

For the year ended December 31, 2021

			Non-cash Changes		
	Opening Balance	Cash Flows	Effect of Exchange Rate Changes	New (expired) Leases	Closing Balance
Short-term borrowings	$ 454,606	$ (92,824)	$ (4,359)	$ -	$ 357,423
Long-term borrowings	448,098	80,295	(1,116)	-	533,277
Long-term notes payable	14,580	(14,580)	-	-	-
Lease liabilities	36,832	(448)	-	(36,384)	-
	$ 954,116	$ (21,557)	$ (5,475)	$ (36,384)	$ 890,700

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged for 2022 and 2021.

The capital structure of the Group consists of net debt and equity of the Group. Key management personnel of the Group review the capital structure on annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the number of new shares issued.

30. FINANCIAL INSTRUMENTS

a. Fair value

The carrying amounts of the Group's financial instruments that are not measured at fair value, such as cash and cash equivalents, accounts receivable, refundable deposits, bank borrowings, and accounts payable, approximate their fair values.

b. Fair values of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 239,376	$ -	$ -	$ 239,376
Unlisted securities	-	-	280,202	280,202
	$ 239,376	$ -	$ 280,202	$ 519,578

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity				
Listed securities	$ 65,184	$ -	$ -	$ 65,184
Financial assets at FVTOCI				
Investments in equity				
Unlisted securities	$ -	$ -	$ 149,559	$ 149,559

There were no transfers between Levels 1 and 2 in the current and prior years.

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

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2022	$ 149,559
Recognized in other comprehensive income	10,760
Reclassified	(477)
Purchase	193,860
Disposals	(73,500)
Balance at December 31, 2022	$ 280,202

For the year ended December 31, 2021

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2021	$ -
Purchase	149,559
Balance at December 31, 2021	$ 149,559

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at FVTPL	$ -	$ 65,184
Financial assets at amortized costs (Note 1)	526,332	599,225
Financial assets at FVTOCI	519,578	149,559
Financial liabilities		
Financial liabilities measured at amortized cost (Note 2)	324,781	1,144,998

Note1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other current financial assets - current, and refundable deposits (presented under other non-current assets).

Note1: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, accounts payable, other payables, long-term loans (including long-term loans due in one year), and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD. The following table details the Group's sensitivity to an increase and decrease in the functional currency against the relevant foreign currencies. If the functional currency had weakened against 5% the relevant currency, the pre-tax profit would have increased by the following amounts:

	USD Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ 12,358	$ 6,752

This was mainly attributable to the outstanding exposure on foreign currency cash and cash equivalents, accounts receivable and accounts payable, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increased because the Group's sales in USD increased, which resulted in a rise in the accounts receivable in USD.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrowed funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of floating rate borrowings.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	$ 24,568	$ -
Cash flow interest rate risk		
Financial assets	229,831	252,103
Financial liabilities	59,359	890,700

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group’s pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by $852 thousand and $3,193 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $0 thousand and $3,259 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the year ended December 31, 2022 and 2021 would have increased/decreased by $25,979 thousand and $7,478 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group’s sensitivity to equity prices increased because the Group increased its investment in financial assets at FVTOCI.

2) Credit risk

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

The Group’s concentration of credit risk was mainly in the Group’s largest customer, which accounted for 39% and 26% of total trade receivables as of December 31, 2022 and 2021, respectively.

3) Liquidity risk

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

The Group's operating funds and acquired bank loan facilities are enough to cover future operating costs; therefore, there is no liquidity risk due to unable raise funds to fulfil contracts.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

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

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

December 31, 2022

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 115,580	$ 145,908	$ 3,931	$ 3
Floating interest rate bank loans	27,858	31,888	-	-
	$ 143,438	$ 177,796	$ 3,931	$ 3

December 31, 2021

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 121,090	$ 115,914	$ 14,141	$ 3,425
Floating interest rate bank loans	94,910	84,518	246,391	484,858
	$ 216,000	$ 200,432	$ 260,352	$ 488,283

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

The financing facilities of bank borrowings were as follows:

	December 31	
	2022	2021
Amount used	$ 59,359	$ 890,700
Amount unused	1,775,660	181,497
	$ 1,835,019	$ 1,072,197

31. TRANSACTIONS WITH RELATED PARTIES

The Company's parent company is Brighton-Best International (Taiwan) Inc., which owned 19.20% and 8.93% of the ordinary shares of the Company as of December 31, 2022 and 2021, respectively. Also, after the re-election of the directors at the shareholders' meeting in June 2022, Ta Chen Stainless Pipe Co., Ltd. had control of more than half of the directors' seats, giving it substantial control over the Company. The Company's ultimate parent and ultimate controlling party is Ta Chen Stainless Pipe Co., Ltd.

Details of transactions between the Group and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Ultimate related Party Category
Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent entity
Ta Chen Lung Mei Home Life Co., Ltd.	Fellow Subsidiary
KUO, CHIEN-TING	Chairman of the board until June 20, 2022
LEE, MING-HSIANG	Board of directors until June 20, 2022
CHEN, HAU	Related party in substance
Fuzhou Assured Brake System Co., Ltd.	Associate
HSIEN, ERH-YI	Related party in substance (Note)

Note: Refer to Note 14 about the land ownership registered under the related party's name.

b. Net purchases

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Associate		
Right Way Auto Parts Fuzhou	$ 402	$ -

The purchase prices and terms to related parties were not significantly different from those of non-related parties.

c. Loans to related parties (including principal and interest)

Related Party Category/Name	December 31 2022	2021
Other receivables from related parties		
Associate		
Fuzhou Assured Brake System Co., Ltd.	$ 12,367	$ 11,598
Interest Income		
Associate		
Fuzhou Assured Brake System Co., Ltd.	$ 807	$ 283

The Group provided the companies mentioned above with unsecured loans at rates comparable to market average interest rates.

d. Loans from related parties

Related Party Category	December 31 2022	2021
Other payables to related parties		
Related party in substance	$ -	$ 11,598
Interest expense		
Related party in substance	$ 131	$ 181

The Group obtained loans from related parties at rates comparable to market interest rates. The loans from the related parties are all unsecured.

e. Endorsements and guarantees – For the year ended December 31,2021

Endorsements and guarantees given by related parties

Related Party Category	Amount
Related party in substance	
Amount endorsed	$ 894,000
Amount utilized (reported as secured bank loans)	$ 738,960

f. Other transactions with related parties

1) The Group provided the parent company with mold designing services. Other income, which amounted to $6,400 thousand, was recognized for the year ended December 31, 2022.

2) The Group entrusted its sister company to purchase computer equipment. The expense amounted to $197 thousand, which is presented under operating expenses.

g. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 14,846	$ 15,216
Share-based payment	-	819
Post-employment benefits	187	382
	$ 15,033	$ 16,417

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2022	2021
Restricted bank deposit (presented under other current financial asset-current)	$ 1,101	$ 20,525
Land	386,612	380,863
Property, plant and equipment, net (except land)	131,633	235,915
Right-of-use asset - land	-	4,295
	$ 519,346	$ 641,598

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unused letters of credit for purchases

	December 31	
	2022	2021
Unused letters of credit	$ 598	$ 2,427

b. Notes payable on deposit guarantee for loan

	December 31	
	2022	2021
Notes payable on deposit guarantee	$ 1,219,000	$ 436,000

c. New Taipei City "Detail plan of modification of Banqiao urban plan (Jiangcui North Area)" the development unit of AB District self-runs the city's land rezoning case:

1) In March 2008, the Company entered into a preliminary land sale and purchase agreement with a publicly listed company, Mayer Steel Pipe Corporation (hereinafter referred to as Mayer company), to purchase the land (about 4,629.86 square-meter), where the landowner of the land rezoning case mentioned above would be distributed. The contract amounted to $631,340 thousand, and the Company had paid $30,890 thousand under the contract. The transfer procedures have not yet been completed. As stated in the contract, the landowner shall establish a 1.20 times priority other right

according to the payment progress for the Company. In addition, if the landowner has the circumstances of violation of the agreement as stated in the agreement, the Company is allowed to terminate the contract and demand compensation that double the amount the Company had paid.

2) On October 23, 2013, the Company filed a civil lawsuit with the Taiwan Taipei District Court requesting the payment of a penalty. On April 15, 2016, the Taiwan Taipei District Court ruled in the civil judgment Chong-Su-Zi No. 1206 of 2013 that the landowner shall pay the Company $61,780 thousand together with interest at 5% per annum from October 31, 2013 to the date of settlement. The verdict for the case was reached in the Supreme court Tai-shang-zi No. 2437 of 2017 on August 27, 2018.

3) The Company continues to appeal against the unearned benefits arising from the case. On August 27, 2010, the Supreme Court remanded the judgment to the High Court for retrial with Tai-shang-Zi No. 2437 of 2017. The Supreme court ruled in Chong-Shang-Geng-Yi-Zi No. 126 of 2018 that the landowner shall pay the Company $49,302 thousand together with interest at 5% per annum from July 6, 2014 to the date of settlement. On December 31, 2020, the Supreme court dismissed the counterparty's appeal against the preceding ruling. The Company received the payment on January 26, 2021.

4) The Company appeals against the ruling of Chong-Shang-Geng-Yi-Zi No. 126 of 2018 mentioned above for the unearned benefits arising from the case. The case was remanded to the High Court by the Supreme Court on December 30, 2020, in Tai-shang-Zi No. 2597 of 2020, and thus the appeal is withdrawn since there is no need for continuation. Both parties reached a settlement on December 29, 2021, and the Company received a cash settlement amounting to $150,000 thousand. After deducting the relevant costs, $125,815 thousand was recognized under other income.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 8,173	30.71 (USD:NTD)	$ 250,995
USD	66	4.406 (USD:MYR)	2,026
USD	2	6.9669 (USD:RMB)	55
Financial liabilities			
Monetary items			
USD	193	30.71 (USD:NTD)	5,915

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 4,743	27.68 (USD:NTD)	$ 131,289
USD	176	4.1687 (USD: MYR)	4,884
USD	97	6.372 (USD: RMB)	2,688
Financial liabilities			
Monetary items			
USD	77	27.68 (USD:NTD)	2,141
USD	61	6.372 (USD: RMB)	1,683

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ 24,179	1 (NTD:NTD)	$ (5,721)
MYR	6.7746 (MYR:NTD)	2,823	6.7482 (MYR:NTD)	516
RMB	4.4219 (RMB:NTD)	75	4.3414 (RMB:NTD)	534
		$ 27,077		$ (4,671)

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 3)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments None)

10) Intercompany relationships and significant intercompany transactions (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the geographical locations and the major products and services.

a. Segment revenue and results

	China	Eastern South Asia	Taiwan	Other Segments (Note)	Adjustments and Eliminations	Consolidated
Year ended December 31, 2022						
Revenue from external customers	$ 81,672	$ 140,504	$ 901,492	$ 17,950	$ -	$ 1,141,618
Inter segment revenue	6,439	153,834	20,406	4,691	(185,370)	-
Segment revenue	$ 88,111	$ 294,338	$ 921,898	$ 22,641	$ (185,370)	$ 1,141,618
Segment income	$ (21,854)	$ (15,972)	$ 58,529	$ (8,410)	$ 4,187	$ 16,480
Non-operating income and expenses						98,173
Finance costs						(11,349)
Income before income tax						$ 103,304
Year ended December 31, 2021						
Revenue from external customers	$ 138,081	$ 97,945	$ 790,655	$ 37,456	$ -	$ 1,064,137
Inter segment revenue	4,606	130,939	40,410	17,542	(193,497)	-
Segment revenue	$ 142,687	$ 228,884	$ 831,065	$ 54,998	$ (193,497)	$ 1,064,137
Segment income	$ (40,696)	$ 7,603	$ 30,062	$ (27,726)	$ 64	$ (30,693)
Non-operating income and expenses						91,491
Finance costs						(22,765)
Income before income tax						$ 38,033

Note: Includes discontinued segment.

Segment profit represented the profit earned by each segment without income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the chief operating decision maker makes decisions based on segment results, there is no information of assets and liabilities classified for assessment of different business performance and only the results of reportable segments are listed.

b. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Year Ended December 31	
	2022	2021
Revenue from sale of automobile parts	$ 816,484	$ 735,443
Revenue from processing	73,519	122,859
Others	251,615	205,835
	$ 1,141,618	$ 1,064,137

c. Geographical information

The Group operates in four principal geographical locations - Taiwan, Malaysia, China and the United States.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from External Customers For the Year ended December 31	
	2022	2021
Taiwan	$ 270,520	$ 293,122
Malaysia	135,593	88,594
China	88,575	151,672
The United States	433,456	335,359
Other	213,474	195,390
	$ 1,141,618	$ 1,064,137

	Non-current Assets December 31	
	2022	2021
Taiwan	$ 890,145	$ 528,943
Malaysia	240,150	224,131
China	-	189,624
The United States	-	-
Other	-	-
	$ 1,130,295	$ 942,698

Non-current assets excluded those classified as financial instruments, investments accounted for using the equity method and deferred tax assets.

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2022	2021
Customer A	$ 430,137	$ 334,530
Customer B	103,011	132,977
	$ 533,148	$ 467,507

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	The Company	Right Way Auto Parts (Fuzhou) Co., Ltd.	Other receivables from related parties	Y	$ 29,475	$ -	$ -	5.0%	2	$ -	Operating capital	$ -	None	$ -	$ 349,796	$ 932,789
		Right Way Auto Parts (Fuzhou) Co., Ltd.	Other receivables from related parties	Y	32,215	-	-	5.0%	2	-	Operating capital	-	None	-	349,796	932,789
		Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	48,323	-	-	5.0%	1	153,834	-	-	None	-	153,834	932,789
		Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables from related parties	Y	46,335	46,065	46,065	5.0%	1	153,834	-	-	None	-	153,834	932,789
		Fuzhou Assured Brake Systems Co.,Ltd.	Other receivables from related parties	Y	18,024	17,632	11,769	7.0%	2	-	Operating capital	-	None	-	349,796	932,789
1	Rightway Auto Parts (Fu Zhou) Co., Ltd	Fuzhou Assured Brake Systems Co., Ltd.	Other receivables from related parties	Y	13,518	-	-	7.0%	2	-	Operating capital	-	None	-	-	-
2	Smart Media Technology Co., Ltd	Zhenlin Technology Co., Ltd.	Other receivables	N	15,910	-	-	-	1	-	-	-	None	-	-	-

Note 1: The No. column is denoted as follows:

1) Issuer is numbered 0.

2) Investees are numbered starting from 1.

Note 2: The nature of financing is numbered as follows:

1) Business transaction is “1”.

2) The need for short-term financing is “2”.

Note 3:

1) The need for short-term financing: 15% of the Company’s net worth in the most recent audited or reviewed financial statements; Business transaction: to the extent that it does not exceed the amount of business transactions between the two parties, in which the amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

2) Aggregate Financing Limit of the Company is 40% of its net worth in the most recent audited or reviewed financial statements.

3) The limit of the need for short-term financing of Right Way Auto parts (Fuzhou) Co., Ltd. is 40% of net worth in the most recent audited or reviewed financial statements.

4) Aggregate Financing Limit of the Right Way Auto parts (Fuzhou) Co., Ltd. is 40% of net worth in the most recent audited or reviewed financial statements.

5) Smart Media Technology Co., Ltd is sold in April 2022.

6) Right Way Auto parts (Fuzhou) Co., Ltd. is sold in June 2022.

7) The Company resolved in the board of directors’ meeting in December 2022 to dispose of all of its shareholdings (31.66%) of Fuzhou Assured Brake Systems Co., Ltd. held by Excellent Growth Investment to a non-related party, and since the Company accounted it for using the equity method, the carrying amount of $84,044 thousand was reclassified as non-current assets held for sale.

Note 4: The transaction was eliminated when preparing the consolidated financial reports.

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Listed shares - Brighton-Best International (Taiwan) Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	6,316,000	$ 239,376	0.61	$ 239,376	
	Unlisted shares -Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses
	Unlisted shares - ROC Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	25,706,588	280,202	6.18	280,202	

TABLE 3

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Company	Fuhai Lujhu District of Taoyuan City	2022.07.19 (Board of Directors' resolution date)	$ 391,387	Paid	Non-related party	None	-	-	-	$ -	With reference to market conditions and the professional appraisal price	For operation	None

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	Subsidiaries (100% ownership)	Purchase	$ 153,834	38.21	Purchase 75 days after monthly closing	No third-party could be compared	No third-party could be compared	$ (37,259)	(24.56)	-

Note: The transaction was eliminated when preparing the consolidated financial reports.

TABLE 5

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	1	Purchase	$ 153,834	Based on general transaction price, payment 75 days after monthly closing	13.48
		Right Way Industrial (Malaysia) Sdn. Bhd.	1	Accounts payable	37,259	-	1.32
		Right Way Industrial (Malaysia) Sdn. Bhd.	1	Other receivables	46,065	-	1.64
		Right Way North America Inc.	1	Sales	13,628	Based on general transaction price, Received 180 days after monthly closing	1.19

Note 1: The No. column is denoted as follows:

1) 0 for Parent entity

2) Subsidiaries are numbered starting from 1.

Note 2: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

Note 3: Regarding the ratio of transaction amount to consolidated total sales or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet account and based on accumulated balance to consolidated total sales for profit or loss accounts.

Note 4: Intercompany relationships and significant intercompany transactions that account for less than 1% of the total sales and total assets are not disclosed.

Note 5: The transaction above was eliminated when preparing the consolidated financial reports.

TABLE 6

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Automotive and motorcycle piston manufacturing	$ 211,024 (MYR 30,276)	$ 211,024 (MYR 30,276)	28,665,667	79.63	$ 262,382	$ (19,676)	$ (21,525)	Subsidiary
	Excellent Growth Investments Limited	British Virgin Islands	Investment	723,972	899,823	23,262,626	100	83,947	38,581	38,581	Subsidiary
	Right Way North America Inc.	USA	Automotive and motorcycle engine parts for sale	1,575	1,575	-	100	5,588	30	30	Subsidiary
	Right Way Global Co., Ltd.	Taiwan	Automotive and motorcycle sales and purchases	259,300	259,300	25,930,000	100	55	(75)	(75)	Subsidiary
	Wealth Cosmo Limited	Seychelles	Automotive and motorcycle sales and purchases	-	755	-	-	-	-	-	Subsidiary (Note 4)
	Smart Media Technology Co., Ltd	Taiwan	Electrical appliances trading industry	-	40,000	-	-	-	-	-	Subsidiary (Note 5)
	Yao sheng Green Energy Co., Ltd.	Taiwan	Solar module	-	1,000	-	-	-	(22)	(22)	Subsidiary (Note 6)
	Yao guang Green Power Co., Ltd.	Taiwan	Solar module	-	5,000	-	-	-	(13)	(13)	Subsidiary (Note 7)
	Yao Yang Electric Co., Ltd.	Taiwan	Solar module	-	1,000	-	-	-	(15)	(15)	Subsidiary (Note 7)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Rod manufacturing	50,428 (MYR 7,235)	50,428 (MYR 7,235)	8,950,000	89.5	1,531	6,767	6,200	Subsidiary
Excellent Growth Investments Limited.	Admiral Skill Limited	British Virgin Islands	Investment	-	166,141 (USD 5,410)	-	-	-	-	-	Subsidiary
Admiral Skill Limited	Joint Fortune Company Limited	Cayman Islands	Investment	-	319,998 (USD 10,420)	-	-	-	-	-	Subsidiary (Note 8)
Right Way Global Co., Ltd.	Taiwan Ssangyong Co., Ltd.	Taiwan	Retail sale of motor vehicles	16,920	16,920	19,588	0.05	-	-	-	Subsidiary (Note 8) Associate (Note 1)

Note 1: Fully recognized impairment loss.

Note 2: Subsidiaries were eliminated when preparing the consolidated financial reports.

Note 3: Refer to Table 7 for the information on the investee company in mainland China.

Note 4: Applied for liquidation and return of capital on May 30, 2022, and obtained a certificate of cancellation.

Note 5: Sold on May 3, 2022.

Note 6: Dissolved on January 12, 2022, and completed the liquidation on July 28, 2022.

Note 7: Dissolved on January 11, 2022, and completed the liquidation on July 28, 2022.

Note 8: Transfer of assets held for sale and liabilities directly related to assets held for sale in first quarter 2021 and eliminated to the aforementioned carrying amount in September 2022, refer to Note 11.

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 6)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 6)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward (Note 4)						
Right Way Auto parts (Fuzhou) Co., Ltd.	Manufacture and sale of piston engine parts	568,135 (USD 18,500)	(2)	$ 568,135 (USD 18,500)	-	$ 181,916 (USD 6,121)	$ -	$ 38,212	-	$ 38,212	$ -	$ -
Fuzhou Weibao International Trade Co., Ltd.	Hardware products, hardware and electric materials, rubber raw materials, general machinery, electronic products	4,408 (CNY 1,000)	(3)	-	-	-	-	(1,620)	-	(1,620)	-	-
Shanghai Unimax Precision Metal Forming Products Co., Ltd. (Note 7)	Automotive parts and other metal molded products	465,507 (CNY105,605)	(3)	152,659 (USD 4,971)	-	-	-	-	-	-	-	-
Fuzhou Assured Brake Systems Co., Ltd. (Note 8)	Automotive and motorcycle manufacture of mechanical brakes	331,931 (CNY75,302)	(2)	87,032 (USD 2,834)	-	-	87,032 (USD 2,834)	(5,083)	31.66	(2,155)	-	-

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31,2022 (Note 6)	Investment Amount Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Right Way	619,851 (USD 20,184)	807,826 (USD 26,305)	1,399,184 (Note 3)

Note 1: Methods of investment are classified as follows:

1) Direct investment.

2) Investments through Excellent Growth Investments Limited.

3) Others: Direct investment through Rightway Autoparts (Fuzhou) Co., Ltd.; Shanghai Kunyi Precision Metal Forming Products Co., Ltd. is acquired through Admiral Skill Limited.

Note 2: In the column of investment gain (loss):

If company is still in the preparatory stage with no investment gains or losses yet, it should be disclosed.
Basis of recognition of investment gains or losses should be disclosed for the following:

1) The financial statements were audited and attested by a certified public accounting firm with business relationship with an accounting firm in the Republic of China.

2) The financial statements were audited and attested by certified public accountants of Taiwan.

3) Others: The financial statements were not audited and attested by certified public accountants.

Note 3: Net equity x 60% = $2,331,973 x 60% = $1,399,184.

Note 4: Indirect investment in Right Way Auto parts (Fuzhou) Co., Ltd. was submitted to the Investment Commission for review on June 17, 2022. The recovery of investment amounted to US$6,121 thousand and was approved for cancellation on July 6, 2022.

Note 5: Investees mentioned above were eliminated when preparing the consolidated financial reports except for Fuzhou Assured Brake Systems Co., Ltd.

Note 6: Related amounts were based on the average exchange rate of the Bank of Taiwan as of December 31, 2022 (NT$30.71 for US$1, NT$4.408 for RMB1).

Note 7: For the transfer of assets held for sale and liabilities directly related to assets held for sale in first quarter 2021 and eliminated to the aforementioned carrying amount in September 2022, refer to Note 11 of the financial statements. The cancellation of investment was approved by the Investment Commission, MOEA (2) No. 11000013340 dated on February 18, 2021.

Note 8: The Company resolved in the board of directors’ meeting in December 2022 to dispose of all of its shareholdings (31.66%) of Fuzhou Assured Brake Systems Co., Ltd. held by Excellent Growth Investment to a non-related party, refer to Note 11.

TABLE 8

RIGHT WAY INDUSTRIAL CO., LTD

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Brighton-Best International (Taiwan) Inc.,	53,540,000	19.20
Win Power E&T Co., Ltd.	16,000,000	5.74
Yu Pao System Cabinet Co., Ltd.	16,000,000	5.74
Shing Hwang Co., Ltd.	15,600,000	5.60

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.