

Cryomax Cooling System Corp.  
Parent Company Only Financial  
Report and Auditor's report  
2022 and 2021  
(Stock Code: 1587)

Address: No. 28, Gongqu Rd., Fangyuan Industrial Park, Fangyuan  
Township, Changhua County  
Tel.: (04)896-7892

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

Cryomax Cooling System Corp.  
Parent Company Only Financial Report and Auditor's report 2022 and 2021

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To: Cryomax Cooling System Corp.

## **Audit Opinions**

Cryomax Cooling System Corp.'s parent company only financial statement of December 31 of 2022 and 2021, the parent company only comprehensive income statement, parent company only statement of changes of equity, and parent company only cash flow statement from January 1 to December 31 of 2022 and 2011 and the notes to the parent company only financial statements (including the summary of major accounting policies) have been audited by the CPA of the Firm.

According to the opinions of the CPA, the above-mentioned parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, which are sufficient to express the parent company only financial status of Cryomax Cooling System Corp. on December 31, 2022 and 2021, and parent company only financial performance and parent company only cash flow from January 1 to December 31 in 2022 and 2021.

## **Basis for Audit Opinions**

The CPA performs the audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The CPA's responsibilities under these standards will be further explained in the section of the CPA's responsibilities for reviewing and auditing parent company only financial statements. The personnel of the accounting firm the CPA affiliates have maintained detached independence from Cryomax Cooling System Corp. in accordance with the professional code of ethics for CPA of the Republic of China, and have fulfilled other responsibilities of the code. The CPA believes that sufficient and appropriate audit evidence as a basis for expressing the audit opinions has been obtained.

## **Key Items for Auditing**

Key audit items refer to the most important items in the audit of the 2022 parent company only financial statements of Cryomax Cooling System Corp. based on the professional judgment of the CPA. These matters have been treated in the process of reviewing and auditing the parent company only financial statements as a whole and forming audit opinions, and the CPA does not express independent opinions on these matters.

The key audit items of Cryomax Cooling System Corp.'s parent company only financial statements in 2022 are as follows:

### **Correctness of Sales Revenue Cut-off**

#### Descriptions

For the accounting policy of sales revenue, please refer to Note 4(23) of the parent company only financial statements; for the description of accounting items for sales revenue, please refer to Note 6(16) of the parent company only financial statements, and the daily operating revenue in the parent company only financial statement from January 1 to December 31, 2022 is NT\$1,800,057,000.

The Company's revenue comes from the manufacture and sale of products related to metal water tanks for various vehicles. The sales to customers involve different types of transaction conditions. The sales to customers are based on the transaction conditions agreed by individual customers and the transfer of control of the goods is confirmed after shipment, and revenue is recognized. In particular, whether the control of the shipped products has been transferred to the buyer in accordance with the agreed transaction conditions before the end of the reporting period will affect the financial statement period to which the sales revenue belongs. The above-mentioned matters also exist in the subsidiaries held by Cryomax Cooling System Corp., and the accounts are listed as investments using the equity method. Therefore, the CPA believes that the correctness of the cut-off of sales revenue is one of the most important matters in the audit of this fiscal year.

#### Procedures for Auditing

The major audit procedures performed by CPA are as follows:

1. The internal control of Cryomax Cooling System Corp. at the time of recognition of sales revenue has been understood and evaluated, and the effectiveness of such control has been tested.
2. Perform cut-off test for sales transactions within a certain period before and after the end date of the financial reporting period to evaluate the correctness of the timing of revenue recognition.

### **Appraisal of Loss from Valuation of Inventory Allowance**

#### Descriptions

For the accounting policy of inventories, please refer to Note 4(11) of the parent company only financial statements; for the key accounting estimates and assumptions of inventory evaluation, please refer to Note 5(2) of the parent company only financial statements; for the description of inventory accounting items, please refer to Note 6 (5) to the parent company only financial statements. On December 31, 2022, the cost of inventory and the balance of allowance appraisal losses are NT\$395,314,000 and NT\$11,918,000, respectively.

Cryomax Cooling System Corp. mainly manufactures and sells metal water tanks for various vehicles. Considering the service life of vehicles and the small-in-quantity but diverse features of products in the after-sales service market, the Company needs to prepare sufficient inventory in order to gain market share, resulting in a higher risk of inventory depreciation loss or obsolescence. Its various inventories are measured by costs and net realizable value (whichever is lower), which are assessed for normal wear and tear, obsolescence or changes in sales prices, and the loss of price reduction is provided accordingly. The above-mentioned matters also exist in the subsidiaries held by Cryomax Cooling System Corp., and the accounts are listed as investments using the equity method. Because the estimation of the net realizable value of the inventory is considered, and the adjustment of obsolete inventory exceeding the age of the specified period involves the subjectivity of the management level, judging and assessing the amount of inventory allowance appraisal loss has a significant impact on the financial statements, so the CPA lists the inventory allowance appraisal loss as one of the most important matters for the audit of this fiscal year.

### Procedures for Auditing

The major auditing procedures performed by the CPA are as follows:

1. Understand and evaluate the rationality of Cryomax Cooling System Corp.'s inventory evaluation policy.
2. Review Cryomax Cooling System Corp.'s annual inventory plan and participate in the annual inventory actions to evaluate the effectiveness of the management's division and control of obsolete inventory.
3. Obtain the statement used to evaluate the net realizable value of the inventory, verify the completeness of the statement and test the correctness of the net realizable value and related calculations, and then evaluate the rationality of Cryomax Cooling System Corp.'s decision to provide an allowance for price decrease losses.
4. Obtain the inventory age report to check the relevant supporting documents of the date of the inventory change, and confirm that the classification of the inventory age range is correct and consistent with its policy.

### **Responsibilities of Management Level and Governing Units for Parent Company Only Financial Statements**

The responsibilities of the management level are to prepare financial statements that are reasonably expressed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal control related to preparation of consolidated financial statements related to ensure that there is no material misrepresentation in the consolidated financial statements due to fraud or error.

When preparing the financial statements, the responsibilities of the management level also include assessing the ability of Cryomax Cooling System Corp. in terms of going-concern, the disclosure of related matters, and the adoption of accounting basis for the going-concern, unless the management level intends to liquidate Cryomax Cooling System Corp. or cease operations, or that except for liquidation or suspension there is no other alternative practically available.

Governing units (including the Audit Committee) of Cryomax Cooling System Corp. are

responsible for supervising the financial reporting process.

## **Responsibilities of CPAs to Audit Parent Company Only Financial Statements**

The purpose of CPA's review and audit of the parent company only financial statements is to obtain reasonable assurance as to whether there are material misrepresentations in the parent company only financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is of high degree of certainty, but the audit work performed in accordance with the ROC Audit Standards do not warrant that it will be able to detect material misrepresentations in parent company only financial statements. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregate amounts is considered material if it can reasonably be expected to affect economic decisions made by users of parent company only financial statements.

The CPA adopts professional judgment and skepticism when auditing in accordance with the ROC Audit Standards. The CPA also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of the parent company only financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, willful omissions, misrepresentations, or the violation of internal controls, and hence, the risk of failing to detect the material misrepresentation resulting from fraud is higher than those resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit, so as to design the appropriate audit procedures under the circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Cryomax Cooling System Corp.
3. Assess the appropriateness of the accounting policies adopted by the management level, and the reasonableness of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained reach conclusions on the appropriateness of the management level to adopt the going-concern accounting basis, and whether there are major uncertainties in events or circumstances that may cast significant doubt on the ability of going concern of Cryomax Cooling System Corp. If the CPA believes that there are major uncertainties in such events or situations, he/she shall remind the users of parent company only financial statements to pay additional attention to the relevant disclosures in the parent company only financial statements in the audit report, or revise the audit opinions when the disclosures are inappropriate. The CPA's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Cryomax Cooling System Corp. to lose the ability of going concern.
5. Assess the overall presentation, structure and content of parent company only financial statements (including relevant notes), and whether parent company only financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the individual constituents of Cryomax Cooling System Corp. to express opinions on the parent

company only financial statements. The CPA is responsible for the guidance, supervision and execution of individual audit cases, and is responsible for forming audit opinions on parent company only financial statements.

The matters communicated by the CPA with the governing unit include the planned scope and time of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

The CPA also provides the governing unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the independence statement in the professional code of ethics for certified public accounts of the Republic of China, and communicates with the governing unit all relationships that may be considered to affect the independence of the CPA and other matters (including relevant protective measures).

From the matters communicated with the governing unit, the CPA hereby decided the key items for auditing the 2022 parent company only financial statements of Cryomax Cooling System Corp. The CPA states these matters in the audit report, unless the law does not allow disclosure of specific matters, or under extremely rare circumstances, the CPA may determine not to communicate specific matters in the audit report since the negative effects of such communication can be reasonably expected to outweigh the public interest promoted.

PwC Taiwan

LIU, MEI-LAN

CPAs

HUNG, SHU-HUA

FSC

License Number: Jin Guan Zheng Shen Zi No.  
1070323061

Former Securities Management Commission of  
Ministry of Finance

License Number: (85) Tai Cai Zheng (6) No. 68701

March 23, 2023



Cryomax Cooling System Corp.  
Parent Company Only Financial Statements  
December 31, 2022 and 2021

Unit: NT\$1,000

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 252,937	9	\$ 149,110	6
1110	Current Financial Assets at Fair Value	6(2)				
	through Profit or Loss		13,925	1	18,236	1
1150	Net notes receivable	6(3)	41,111	2	38,331	1
1170	Net receivable	6(3)	169,735	6	151,470	6
1180	Receivable—Net of related parties	7(2)	68,827	3	59,975	2
1210	Receivable—Related parties	7(2)	56,538	2	104,408	4
130X	Inventory	6(4)	383,396	14	417,493	16
1470	Other current assets		11,094	-	21,101	1
11XX	<b>Total Current Assets</b>		997,563	37	960,124	37
<b>Non-current Assets</b>						
1550	Investments accounted for using equity method	6(5)	1,219,579	44	1,093,261	42
1600	Property, plant and equipment	6(6), 7(2) and 8	486,374	18	496,705	19
1780	Intangible Assets		696	-	891	-
1840	Deferred income tax assets	6(22)	22,653	1	38,072	2
1900	Other non-current assets		952	-	7,849	-
15XX	<b>Total Non-current Assets</b>		1,730,254	63	1,636,778	63
1XXX	<b>Total Assets</b>		\$ 2,727,817	100	\$ 2,596,902	100

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Cryomax Cooling System Corp.  
Parent Company Only Financial Statements  
December 31, 2022 and 2021

Unit: NT\$1,000

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current Liabilities</b>						
2100	Short-term debt	6(8) and 8	\$ 876,000	32	\$ 744,866	29
2110	Short-term notes and bills payable	6(8)	49,852	2	135,945	5
2130	Current contract liabilities	6(16)	7,426	-	6,244	-
2150	Notes payable		-	-	240	-
2170	Accounts payable		34,593	1	45,423	2
2180	Accounts payable-Related parties	7(2)	72,695	3	43,986	2
2200	Other accounts payable	6(9)	82,735	3	86,280	3
2220	Other accounts payable-Related parties	7(2)	10,017	-	6,497	-
2230	Current tax liabilities		2,605	-	16,799	1
2320	Long term liabilities due within one year	6(11)	22,183	1	22,187	1
2399	Other current liabilities	6(10)(16)	20,148	1	36,875	1
21XX	<b>Total Current Liabilities</b>		<u>1,178,254</u>	<u>43</u>	<u>1,145,342</u>	<u>44</u>
<b>Non-current liabilities</b>						
2540	Long-term debt	6(11) and 8	91,246	4	113,441	4
2570	Deferred income tax liabilities	6(22)	53,878	2	38,588	1
2600	Other non-current liabilities	6(12)	4,999	-	13,143	1
25XX	<b>Total Non-current Liabilities</b>		<u>150,123</u>	<u>6</u>	<u>165,172</u>	<u>6</u>
2XXX	<b>Total Liabilities</b>		<u>1,328,377</u>	<u>49</u>	<u>1,310,514</u>	<u>50</u>
Shareholder equity						
Share capital						
3110	Capital - common stock	6(13)	686,244	25	686,244	26
Additional Paid-In Capital						
3200	Additional Paid-In Capital	6(14)	376,078	14	376,078	15
Retained Earnings						
3310	Legal reserve	6(15)	119,582	4	109,230	4
3320	Special reserve		89,317	3	78,087	3
3350	Undistributed surplus earnings		178,515	7	126,066	5
Other Equity						
3400	Other equity		( 50,296)	( 2)	( 89,317)	( 3)
3XXX	<b>Total Equity</b>		<u>1,399,440</u>	<u>51</u>	<u>1,286,388</u>	<u>50</u>
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 2,727,817</u>	<u>100</u>	<u>\$ 2,596,902</u>	<u>100</u>

The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements for overall reference.

Chairman: LIU, YEN-TI

Manager: LIUM YEN-TI

Accounting Chief: HSU, NAI-LONG

Cryomax Cooling System Corp.  
Parent Company Only Comprehensive Income  
Statement  
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000  
(NT\$1 for EPS)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Revenue	6(16) and 7(2)	\$ 1,800,057	100	\$ 1,741,384	100
5000 Operating costs	6(4)(21) and 7(2)	( 1,600,440)	( 89)	( 1,517,922)	( 87)
5900 Gross profit		199,617	11	223,462	13
5910 Unrealized gain from sale		( 7,610)	-	( 3,178)	-
5950 Net gross profit		<u>192,007</u>	<u>11</u>	<u>220,284</u>	<u>13</u>
Operating expenses	6(21) and 7(2)				
6100 Selling expenses		( 52,504)	( 3)	( 59,181)	( 4)
6200 Management expenses		( 66,361)	( 4)	( 57,909)	( 3)
6300 R&D expenses		( 15,057)	( 1)	( 15,744)	( 1)
6000 Total operating expenses		( 133,922)	( 8)	( 132,834)	( 8)
6900 Operating income		<u>58,085</u>	<u>3</u>	<u>87,450</u>	<u>5</u>
Non-operating income and expense					
7100 Interest revenue	6(17)	2,378	-	2,830	-
7010 Other revenue	6(18)	4,144	1	5,825	-
7020 Other gains and losses	6(19)	37,098	2	2,001	-
7050 Financial costs	6(20)	( 14,403)	( 1)	( 10,017)	-
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(5)	<u>83,781</u>	<u>5</u>	<u>40,031</u>	<u>2</u>
7000 Total non-operating income and expenses		<u>112,998</u>	<u>7</u>	<u>40,670</u>	<u>2</u>
7900 <b>Pre-tax income</b>		171,083	10	128,120	7
7950 Income tax	6(22)	( 33,478)	( 2)	( 25,643)	( 1)
8200 <b>Net income</b>		<u>\$ 137,605</u>	<u>8</u>	<u>\$ 102,477</u>	<u>6</u>
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Defined benefits plans remeasured	6(12)	\$ 6,313	-	\$ 1,301	-
8349 Income tax related to components of other comprehensive income that will not be Reclassified	6(22)	( 1,263)	-	( 260)	-
8310 Total items that will not be reclassified to profit or loss		<u>5,050</u>	<u>-</u>	<u>1,041</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Exchange differences on translation of foreign financial statements		37,471	2	( 8,696)	( 1)
8380 Share of other comprehensive profit or loss of subsidiaries, affiliates and joint ventures recognized using the equity method – Items that may be reclassified to profit or loss		11,305	1	( 5,342)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	( 9,755)	( 1)	<u>2,808</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss		<u>39,021</u>	<u>2</u>	<u>( 11,230)</u>	<u>( 1)</u>
8300 <b>Other comprehensive income</b>		<u>\$ 44,071</u>	<u>2</u>	<u>\$ 10,189</u>	<u>( 1)</u>
8500 <b>Comprehensive income of the current period</b>		<u>\$ 181,676</u>	<u>10</u>	<u>\$ 92,288</u>	<u>5</u>
EPS					
9750 Basic		<u>\$ 2.01</u>		<u>\$ 1.49</u>	
9850 Diluted		<u>\$ 2.00</u>		<u>\$ 1.49</u>	

The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements for overall reference.

Chairman: LIU, YEN-TI

Manager: LIUM YEN-TI

Accounting Chief: HSU, NAI-LONG

Cryomax Cooling System Corp.  
Individual Statement of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

	Notes	<u>APIC</u>				<u>Retained Earnings</u>		Earnings Exchange Differences on Translation of Foreign Financial Statements	Total Equity	
		Common Stock Capital	Common Stock in Excess of Par	Treasury Stock Trading	Others	Legal Reserve	Special Reserve			Undistributed Surplus
<u>2021</u>										
Balance as of January 1, 2021		\$ 653,566	\$ 353,570	\$ 4,790	\$ 17,718	\$ 91,994	\$ 75,234	\$ 173,350	(\$ 78,087)	\$ 1,292,135
Net income of 2021		-	-	-	-	-	-	102,477	-	102,477
Other comprehensive income of 2021		-	-	-	-	-	-	1,041	( 11,230 )	( 10,189 )
Comprehensive income of the current period		-	-	-	-	-	-	103,518	( 11,230 )	92,288
Surplus earnings distribution for 2020:	6(15)									
Legal reserve		-	-	-	-	17,236	-	( 17,236 )	-	-
Special reserve		-	-	-	-	-	2,853	( 2,853 )	-	-
Cash dividends		-	-	-	-	-	-	( 98,035 )	-	( 98,035 )
Stock dividends		32,678	-	-	-	-	-	( 32,678 )	-	-
Balance as of December 31, 2021		\$ 686,244	\$ 353,570	\$ 4,790	\$ 17,718	\$ 109,230	\$ 78,087	\$ 126,066	(\$ 89,317)	\$ 1,286,388
<u>2022</u>										
Balance as of January 1, 2022		\$ 686,244	\$ 353,570	\$ 4,790	\$ 17,718	\$ 109,230	\$ 78,087	\$ 126,066	(\$ 89,317)	\$ 1,286,388
Net income of 2022		-	-	-	-	-	-	137,605	-	137,605
Other comprehensive income of 2022		-	-	-	-	-	-	5,050	39,021	44,071
Comprehensive income of the current period		-	-	-	-	-	-	142,655	39,021	181,676
Surplus earnings distribution for 2021:	6(15)									
Legal reserve		-	-	-	-	10,352	-	( 10,352 )	-	-
Special reserve		-	-	-	-	-	11,230	( 11,230 )	-	-
Cash dividends		-	-	-	-	-	-	( 68,624 )	-	( 68,624 )
Balance as of December 31, 2022		\$ 686,244	\$ 353,570	\$ 4,790	\$ 17,718	\$ 119,582	\$ 89,317	\$ 178,515	(\$ 50,296)	\$ 1,399,440

The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements for overall reference.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Chief: HSU, NAI-LONG

Cryomax Cooling System Corp.  
Individual Cash Flow Statement  
January 1 to December 31, 2022 and 2021

Unit: 1,000

	Notes	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>Operating Cash Flow</u>			
Pre-tax income of the current period		\$ 171,083	\$ 128,120
Adjusted items			
Adjustments to reconcile profit (loss)			
Depreciation Expense	6(6)(21)	28,412	27,075
Amortization Expense	6(21)	213	99
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(19)	( 11,649 )	2,342
Interest expense	6(20)	14,403	10,017
Interest income	6(17)	( 2,378 )	( 2,830 )
Dividend income	6(18)	( 174 )	( 564 )
Share of profit (loss) of associates, affiliates and joint ventures accounted for using equity method	6(5)	( 83,781 )	( 40,031 )
Disposal of interests in property, plant and equipment	6(19)	( 1,415 )	( 2,475 )
Unrealized Profit on Intercompany Sales		7,610	3,178
Gains and losses of unrealized foreign currency exchange		1,764	1,222
Effects of changes in foreign exchange rates		( 17,183 )	2,946
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities		15,960	( 8,778 )
Mandatorily at Fair Value through Profit or Loss			
Net notes receivable		( 2,780 )	9,005
Net accounts receivable		( 36,678 )	( 25,017 )
Accounts receivable - Net of related parties		( 10,046 )	( 5,664 )
Other accounts receivable - Net of related parties		708	1,037
Inventory		34,097	( 107,704 )
Other current assets		10,046	( 1,119 )
Other non-current assets		494	( 494 )
Net change in liabilities related to operating activities			
Contract liabilities		1,182	( 10,169 )
Notes payable		( 240 )	( 30 )
Accounts payable		( 10,264 )	( 1,701 )
Accounts payable-Related parties		( 29,691 )	( 9,259 )
Other payable		( 1,325 )	( 8,970 )
Other payable-Related parties		2,708	340
Other current liabilities		-	646
Other non-current liabilities		( 1,830 )	( 1,843 )
Cash inflow (outflow) generated from operations		138,628	( 40,621 )
Interest received		2,339	2,830
Dividend received		174	564
Interest paid		( 14,554 )	( 9,597 )
Income tax paid		( 27,982 )	( 2,732 )
Net cash flows from (used in) operating activities		98,605	( 49,556 )

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Cryomax Cooling System Corp.  
Individual Cash Flow Statement  
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

	<u>Notes</u>	<u>January 1 to December 31, 2022</u>	<u>January 1 to December 31, 2021</u>
<u>Cash flows from investment activities</u>			
Investments accounted for using equity method		(\$ 76 )	\$ -
Acquisition of property, plant and equipment	6(24)	( 18,666 )	( 34,090 )
Disposal of property, plant and equipment		5,470	46
Increase in refundable deposit		( 277 )	( 569 )
Decrease in refundable deposit		565	243
Other receivables - Decrease in related parties		47,870	29,126
Acquisition of intangible assets		( 18 )	( 990 )
Cash provided by (used in) investing activities		<u>34,868</u>	<u>( 6,234 )</u>
<u>Cash flow from finance activities</u>			
Increase in short-term loans	6(25)	367,075	961,615
Decrease in short-term loans	6(25)	( 237,081 )	( 763,887 )
Increase in short-term notes and bills payable	6(25)	-	29,900
Decrease in short-term bills payable		( 86,000 )	-
Repayments of long-term debt	6(25)	( 22,199 )	( 77,431 )
Cash dividends paid	6(15)	( 68,624 )	( 98,035 )
Net cash (outflow) inflow from finance activities		( 46,829 )	52,162
Effect of exchange rate changes on cash and cash equivalents		17,183	( 2,946 )
Net increase (decrease) in cash and cash equivalents		103,827	( 6,574 )
Cash and cash equivalents at beginning of period	6(1)	149,110	155,684
Cash and cash equivalents at end of period	6(1)	\$ 252,937	\$ 149,110

The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements for overall reference.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Chief: HSU, NAI-LONG

Cryomax Cooling System Corp.  
Notes to Parent Company Only Financial Statements  
2022 and 2021

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

1. History

Cryomax Cooling System Corp. (hereinafter referred to as the "Company") was established in the Republic of China. The main business items of the Company are the manufacturing, processing, trading and exporting of metal water tanks for various vehicles.

2. Date and procedure for approval of financial report

This parent company only financial report was approved and issued by the board of directors on March 23, 2023.

3. Application of newly released and revised standards and notes

(1) The impact of the newly released and revised International Financial Reporting Standards approved and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table summarizes the newly released, revised and revised standards and notes of the applicable International Financial Reporting Standards for 2022 approved and issued by the FSC:

<u>Newly issued/amended/revised standards and notes</u>	<u>Effective Date</u>
Amendments to IFRS 3 "Reference to the Conceptual Frameworks"	January 1, 2022
Amendments to IAS 16 "Property, plant and equipment: the price before reaching the intended state of use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts - Costs of Performing Contracts"	January 1, 2022
Annual Improvement for the Cycle of 2018-2020	January 1, 2022

The Company has assessed that the above standards and notes have no significant impact on the Company's financial position and financial performance.

(2) The impact of the newly released and revised International Financial Reporting Standards recognized by the Financial Supervisory Commission

The following table summarizes the newly released, revised and revised standards and notes of the International Financial Reporting Standards applicable in 2023 recognized by the FSC:

<u>Newly issued/amended/revised standards and notes</u>	<u>Effective Date</u>	<u>Amendments to IAS 1</u>
"Disclosure of Accounting Policies"	January 1, 2023	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023	January 1, 2023
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023	January 1, 2023

The Company has assessed that the above standards and notes have no significant impact on the Company's financial position and financial performance.

(3) The impact of the International Financial Reporting Standards issued by the International Accounting Standards Board but not yet approved by the FSC

The following table summarizes the newly issued, revised and corrected standards and notes that have been issued by the International Accounting Standards Board but have not yet been incorporated into the International Financial Reporting Standards recognized by the FSC:

<u>Newly issued/amended/revised standards and notes</u>	<u>Effective Date</u>
Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its affiliates or joint ventures"	To be determined by the International Accounting Standards Board
Amendments to IFRS 16 "Lease liabilities in sale and leaseback"	January 1, 2024
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023



Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"

January 1, 2024

Amendments to IAS 1 "Non-current Liabilities with Contractual Terms" January 1, 2024

The Company has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

#### 4. Summary of major accounting policies

The major accounting policies adopted in the preparation of the parent company only financial report are described below. These policies apply consistently throughout all reporting periods.

##### (1) Compliance statement

The parent company only financial report is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### (2) Basis of preparation

Except for the following important items, this consolidated financial report is prepared at historical cost:

- (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
- (2) Defined benefit liabilities recognized as the net amount of pension fund assets minus the present value of defined benefit obligations.

The preparation of financial reports in compliance with IFRSs requires the use of some important accounting estimates. In the process of applying the Group's accounting policies, the management level also needs to adopt its judgments involving items with a high degree of judgment or complexity or major assumptions in financial reports, or one may refer to Note 5 for the estimated items.

##### (3) Foreign currency conversion

Items included in the financial reports of each entity in the Company are measured in the currency of the primary economic environment in which that entity operates (i.e. the functional currency). The financial report is presented using the Company's functional currency "New Taiwan Dollar" (NT\$) as the expression currency.

###### 1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into functional currencies using the spot exchange rate on the transaction date or measurement date, and the translation differences arising from the translation of these transactions are recognized as current profit or loss.
- (2) The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current profit or loss.
- (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through profit or loss, are adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit or loss; If the comprehensive profit or loss is measured by fair value, it shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized in other comprehensive profit or loss items; exchange rate measurement.
- (4) All other exchange gains and losses are presented in "Other profits and losses" in the income statement according to the nature of the transaction.

###### 2. Conversion by foreign operating institutions

The operating results and financial status of all group entities, affiliated enterprises and joint agreements whose functional currency is different from the expression currency shall be converted into the expression currency in the following manner:

- (1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;
- (2) The income and expenses expressed in each consolidated income statement are translated at the current average exchange rate; and
- (3) All exchange differences arising from translation are recognized in other comprehensive profit or loss.

#### (4) Classification standards for classifying assets and liabilities into current and non-current items

1. Assets that meet one of the following conditions are classified as current assets:

- (1) The asset is expected to be realized in the normal business cycle, or is intended to be sold or consumed.
- (2) Those held primarily for trading purposes.
- (3) Those expected to be realized within twelve months after the balance sheet date.
- (4) Cash or cash equivalents, unless exchanged or used to settle liabilities is restricted at least twelve months after the balance sheet date.

The Company classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

- (1) Those that are expected to be settled in the normal business cycle.
- (2) Those held primarily for trading purposes.
- (3) Those that are expected to be paid off within twelve months after the balance sheet date.
- (4) The repayment period cannot be unconditionally postponed to at least twelve months after the balance sheet date. The terms of the liability, which may, at the option of the counterparty, result in liquidation through the issuance of equity instruments do not affect its classification.

The Company classifies all liabilities that do not meet the above standards as non-current.

#### (5) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time and are subject to an insignificant risk of changes in value.

#### (6) Financial assets measured at fair value through profit or loss

1. It refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Company adopts transaction-day accounting for financial assets measured at fair value through profit or loss that conform to customary transactions.
3. The Company measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss, and subsequently measured at fair value, with the benefit or loss recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably, the Company recognizes dividend income in profit or loss.

#### (7) Accounts and notes receivable

1. It refers to accounts and notes that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
2. For unpaid short-term accounts and notes receivable, since discounting has little effect, the Group measures them based on the original invoice amount.

#### (8) Impairment of financial assets

The Company on each balance sheet date considers all reasonable and supporting information (including forward-looking items) for financial assets measured at amortized cost and accounts receivable that contain significant financial components. For those whose credit risk has not increased significantly after the original recognition, the allowance loss shall be measured according to the amount of expected credit loss in 12 months; for those whose credit risk has increased significantly since the original recognition, the allowance loss shall be measured according to the amount of expected credit loss during the duration; For accounts receivable that do not include significant financial components, the allowance loss is measured based on the expected credit loss amount during the duration.

#### (9) Declassification of financial assets

The Company will declassify financial assets when one of the following situations is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive the cash flow of the financial asset is transferred, and almost all the risks and rewards of ownership of the financial asset have been transferred.
3. Transfer of contractual rights to receive cash flows from any financial asset without retaining control over the financial asset.

#### (10) Lease transaction of the lessor - business lease

The lease income from operating leases is amortized on a straight-line basis over the lease term and recognized as current profit or loss after deducting any incentives to the lessee.

#### (11) Inventory

Inventories are measured by the lower of cost and net realizable value, and the perpetual inventory system is adopted, and the cost is determined by the weighted average method. The cost of finished products and work in progress includes raw materials, direct labor costs, other direct costs and overhead related to production (based on normal production capacity), but excludes borrowing costs. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal course of business minus the estimated cost to be invested to complete the project and the estimated cost required to complete the sale. balance.

#### (12) Investments using the equity method - subsidiaries

1. A subsidiary refers to an entity (including a structured entity) controlled by the Company. The Company controls an individual when it is exposed to, or has rights to, changes in rewards from its involvement with the individual and, through its rights in the individual, has the ability to affect those rewards.
2. The unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
3. The Company recognizes the share of the subsidiary's profit or loss after acquisition as current profit or loss, and the share of other comprehensive profit or loss after it acquires it as other comprehensive profit or loss. If the share of losses recognized by the Company for a subsidiary is equal to or exceeds the equity in the subsidiary, the company will continue to recognize losses in proportion to its shareholding.
4. Based on Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive profit and loss in the parent company only financial report shall be the same as the share of the current profit and loss and other comprehensive profit and loss attributable to the owner of the parent company in the financial report prepared on the basis of consolidation. The equity

attributable to the owner of the parent company is the same.

### (13) Property, plant and equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and relevant interest during the acquisition and construction period is capitalized.
2. Subsequent costs are included in the book value of the asset or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be measured reliably. The book value of the replaced part shall be delisted. All other maintenance expenses are recognized as current profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment adopts the cost model. Except for land, depreciation is not provided, and other depreciation is calculated by the straight-line method based on the estimated service life. If each component of real estate, plant and equipment is significant, it shall be depreciated separately.
4. The Company examines the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and useful life is different from the previous estimate, or the future economic value contained in the asset If there is a significant change in the expected consumption pattern of benefits, it shall be handled in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The service life of each asset is as follows:

Houses and buildings	2	-	41 years
Machinery equipment	2	-	15 years
Mold equipment	2	-	10 years
Transportation equipment	5	-	10 years
Office equipment	5	-	10 years
Other equipment	2	-	15 years

### (14) Lease transactions by lessees

Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available to the Group. When the lease contract is a short-term lease or a lease of low-value underlying assets, the lease payment shall be recognized as an expense during the lease period using the straight-line method.

### (15) Impairment of non-financial assets

The Company on the balance sheet date estimates the recoverable amount of assets with signs of impairment, and recognizes the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use. When the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed, but the book value of the asset increased by the reversal of the impairment loss shall not exceed the depreciation or amortization of the asset if no impairment loss is recognized Subsequent carrying amount.

### (16) Borrowing

It refers to long-term and short-term funds borrowed from banks. The Company measured it at its fair value less transaction costs at the time of original recognition, and subsequently recognized any difference between the price after deducting transaction costs and the redemption value, using the effective interest method and amortizing procedures to recognize interest expenses during the circulation period in profit and loss.

### (17) Accounts and notes payable

1. It refers to the debts incurred due to the purchase of raw materials, commodities or labor services on credit, and the notes payable incurred due to business and non-business factors.
2. For unpaid short-term accounts and notes payable, since discounting has little effect, the Company measures them based on the original invoice amount.

### (18) Declassification of financial liabilities

The Company declassifies financial liabilities when the contractual obligations are fulfilled, canceled or expire.

### (19) Employee benefits

1. Short-term employee benefits  
The short-term employee benefits are measured at non-discounted amounts expected to be paid and are recognized as an expense when the related services are rendered.
2. Pension
  - (1) Determine the allocation plan  
For the definite appropriation plan, the amount of the pension fund that should be appropriated is recognized as the current pension cost on the accrual basis. Advance payments are recognized as assets to the extent that they are refundable in cash or reduce future payments.
  - (2) Determine the benefit plan
    - A. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by the employee in the current period or past service, and the fair value of the plan assets is subtracted from the present value of the defined benefit obligation on the balance sheet date. The net obligation to determine benefits is calculated annually by the actuary using the projected unit benefit method. The discount rate is the market yield on government bonds (at the balance sheet date) that is consistent with the currency and period of the defined benefit plan at the balance sheet date.
    - B. The remeasured amount arising from the defined benefit plan is recognized in other comprehensive profit or loss in the period in which it occurs, and expressed in retained earnings.
    - C. Expenses related to prior service costs are recognized immediately in profit or loss.
3. Severance benefits  
Severance benefits are benefits provided when the employee's employment is terminated before the normal retirement date or when the employee decides to accept the Company's welfare offer in exchange for the termination of employment. The Company recognizes an expense when it is no longer possible to rescind the offer of termination benefits or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date should be discounted.
4. Employees remuneration and remuneration of directors and supervisors  
Employees remuneration and remuneration of directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be estimated reasonably. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. In addition, if the employees remuneration is paid by stock, the eligibility requirements shall be determined by the board of directors.

### (20) Income tax

1. Income tax expense includes current and deferred income tax. Income taxes are recognized in profit or loss, except for income taxes that relate to items that are recognized in other comprehensive profit or loss or directly in equity, respectively.
2. The Company calculates the current amount of income tax based on the tax rate that has been enacted or substantively enacted on the balance sheet date in the country where the Group operates and generates taxable income. The management level regularly assesses the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the taxing authorities. Income tax on undistributed earnings is levied in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, the undistributed earnings income tax expenses shall be recognized based on the distribution of the actual earnings after the shareholders' meeting approves the earnings distribution proposal.
3. The balance sheet method is adopted for deferred income tax, which is recognized according to the temporary difference between the tax base of assets and liabilities and their carrying amount in the consolidated balance sheet. Deferred income tax liabilities arising from goodwill initially recognized are not recognized if the deferred income tax arises from the original recognition of an asset or liability in a transaction (excluding a business merger) and at the time of the transaction. If it does not affect accounting profit or taxable income (tax loss), it will not be recognized. If there is a temporary difference arising from investment in a subsidiary, the Group can control the timing of the reversal of the temporary difference, and the temporary difference is not recognized if it is very likely that it will not reverse in the foreseeable future. The deferred income tax is based on the tax rate (and tax laws) that has been enacted or substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized within the scope that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. When there is a legally enforceable right to offset the recognized current income tax assets and liabilities and there is an intention to pay off on a net basis or realize the assets and liabilities at the same time, the current income tax assets and current income tax liabilities will be offset; and when there is legal enforcement power to offset the current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are provided by the same tax authority. Deferred income tax assets and liabilities can only be offset against each other when the same taxpayer that is levying income tax or different taxpayers intend to pay off on a net basis or realize assets and pay off liabilities at the same time.
6. The subsequent part of the unused income tax deduction due to the purchase of equipment or technology, research and development expenditures, and equity investment, etc., is recognized as deferred to the extent that it is probable that future taxable income will have been used for unused income tax credits.

#### (21) Share capital

1. Common stock is classified as equity. The incremental costs directly attributable to the issuance of new shares or stock options are recorded as a deduction of the price in equity after deducting income tax.
2. When the company repurchases issued stocks, the consideration paid, including any directly attributable incremental costs, shall be recognized as a deduction of shareholders' equity at a net amount after tax. When the repurchased shares are subsequently reissued, the difference between the consideration received after deducting any directly attributable incremental costs and income tax effects and the book value is recognized as an adjustment to shareholders' equity.

## (22) Dividend distribution

Cash dividends distributed to shareholders are recognized as liabilities in the financial report when the Company's board of directors resolves to distribute, and the distribution of stock dividends shall be recognized as stock dividends to be distributed in the financial report when the Company's shareholders' meeting decides to distribute, and shall be transferred to ordinary shares on the base date of issuance of new shares.

## (23) Revenue recognition

### Sales of products

1. The Company manufactures and sells metal water tank related products for various vehicles. Sales revenue is recognized when the control of the product is transferred to the customer, that is, when the product is delivered to the customer, the customer has discretion over the channel and price of product sales, and the Group has no outstanding performance obligations that may affect the customer's acceptance of the product. Delivery of products occurs when the product is delivered to the designated place, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence indicating that all acceptance standards have been met.
2. The Company's sales revenue from the sales of metal water tanks for various vehicles is recognized at the net amount of the contract price less estimated sales discounts and price reductions. The Company estimates sales discounts and price reductions based on historical experience, and the recognized amount of revenue is limited to the part that is highly unlikely to have a significant reversal in the future, and the estimates are updated on each balance sheet date. Estimated sales discounts and price concessions payable to customers related to sales up to the balance sheet date are recognized as refund liabilities. The payment collection conditions for sales transactions are usually due within 30 days to 90 days after the monthly balance. Since the time interval between the transfer of the promised products or services to the customer and the customer's payment has not exceeded one year, the Company has not adjusted transaction prices to reflect the time value of money (TVM).
3. Accounts receivable are recognized when the goods are delivered to the customer, since the Company has an unconditional right to the contract price from that point in time, and it only takes time to collect the consideration from the customer.

## 5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Company prepared the financial report, the management level has used its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on the current situation on the balance sheet date and reasonable expectations of future events. The major accounting estimates and assumptions made may differ from the actual results, and will be continuously evaluated and adjusted taking into account historical experience and other factors. These estimates and assumptions have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please explain in detail the following explanations on the uncertainty of major accounting judgments, estimates and assumptions:

### (1) Important judgments on the adoption of accounting policies

N/A.

### (2) Important accounting estimates and assumptions

The accounting estimates by the Company are based on the reasonable expectations of future events based on the current situation on a specific date, but the actual results may differ from the estimates. For the estimates and assumptions that there may be a risk of major adjustments to the book value of assets and liabilities in the next financial year, please refer to the following details:

### Inventory evaluation

Since inventories must be priced at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventories on the balance sheet date. The Group evaluates the amount of inventory due to normal wear and tear, obsolescence or no market value on the balance sheet date, and writes down the inventory cost to the net realizable value. The inventory evaluation is mainly based on the estimated demand for products in a specific period in the future, so there may be major changes.

On December 31, 2022, the book value of the Company's inventory was NT\$383,396.

### 6. Explanations of important accounting items

#### (1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and working capital	\$ 662	\$ 467
Check deposit and demand deposit	<u>252,275</u>	<u>148,643</u>
Total	<u>\$ 252,937</u>	<u>\$ 149,110</u>

1. The credit quality of the financial institutions that the Company deals with is good, and the Company deals with several financial institutions to diversify credit risk, and the risk of default is expected to be minor.
2. The Company has not pledged cash and cash equivalents.

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

##### Item

Current:

Mandatory financial assets at fair value through profit or loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Stocks of listed (OTC) companies	\$ 13,738	\$ 19,692
Evaluation adjustment	<u>187</u>	<u>(1,456)</u>
Total	<u>\$ 13,925</u>	<u>\$ 18,236</u>

1. The details of financial assets measured at fair value through profit or loss recognized in profit or loss are as follows:

	<u>2022</u>	<u>2021</u>
Measured at fair value through profit or loss recognized in profit or loss		
Financial assets		
Equity instrument	<u>\$ 11,649</u>	<u>(\$ 2,342)</u>

2. Please refer to Note 12 (2) for information on the credit risk of financial assets measured at fair value through profit or loss.

#### (3) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 41,111	\$ 38,331
Accounts receivable	\$ 170,502	\$ 152,237
Less: Allowance for losses	<u>(767)</u>	<u>(767)</u>
	<u>\$ 169,735</u>	<u>\$ 151,470</u>



1. The aging analysis of accounts receivable and notes receivable is as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 138,417	\$ 41,111	\$ 133,717	\$ 38,331
Within 30 days	25,535	-	17,362	-
31-90 days	6,113	-	965	-
91-180 days	83	-	173	-
Over 181 days	354	-	20	-
	<u>\$ 170,502</u>	<u>\$ 41,111</u>	<u>\$ 152,237</u>	<u>\$ 38,331</u>

The above is an aging analysis based on the number of days overdue.

- The balances of accounts receivable and notes receivable on December 31, 2022 and 2021 were all due to customer contracts, and the balance of accounts receivable on January 1, 2021 was NT\$167,155.
- The Company has insured the accounts receivable with the insurance company since July 2013 (regularly renewing the new contract every year). The insurance company will review and grant the amount, and compensate 90% of the amount in case of default. As of December 31, 2022 and 2021, the balances of insured accounts receivable were NT\$59,569 and NT\$30,703, respectively. When evaluating such insured accounts receivable, the Company has considered the recoverable amount of the account receivable and the recoverable amount of the insurance, and made provision for bad debts.
- The Company has not provided pledge collateral for accounts receivable and notes receivable.
- Without considering the collateral held or other credit enhancements, the maximum exposure amount that best represents the group's bills receivable credit risk on December 31, 2022 and 2021 is \$41,111 and \$38,331 respectively; and the most representative amount of risk exposure on December 31, 2022 and 2021 of the Group's accounts receivable were NT\$169,735 and NT\$151,470 respectively.
- Please refer to Note 12 (2) for the credit risk information of relevant accounts receivable and notes receivable.

#### (4) Inventory

	<u>Dec. 31, 2022</u>		
	<u>Costs</u>	Allowance for sluggishness and falling price losses	<u>Carrying value</u>
Raw materials	\$ 82,748	(\$ 2,704)	\$ 80,044
WIP	30,358	( 835)	29,523
Semi-finished products	63,805	( 2,179)	61,626
Finished goods	211,781	( 6,053)	205,728
Commodity inventory	<u>6,622</u>	<u>( 147)</u>	<u>6,475</u>
Total	<u>\$ 395,314</u>	<u>(\$ 11,918)</u>	<u>\$ 383,396</u>
	<u>Dec. 31, 2021</u>		
	<u>Costs</u>	Allowance for sluggishness and falling price losses	<u>Carrying value</u>
Raw materials	\$ 142,996	(\$ 3,794)	\$ 139,202
WIP	59,648	( 1,982)	57,666
Semi-finished products	84,965	( 4,236)	80,729
Finished goods	144,980	( 6,194)	138,786
Commodity inventory	<u>1,261</u>	<u>( 151)</u>	<u>1,110</u>
Total	<u>\$ 433,850</u>	<u>(\$ 16,357)</u>	<u>\$ 417,493</u>

Inventory-related expenses and losses recognized in the current period:  
The benefit of inventory recovery in 2022 and 2021 was due to the removal of certain inventories that had been depreciated or sluggish, resulting in an increase in the net realizable value of inventories.

(5) Investments using the equity method

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
CRYOMAX INTERNATIONAL LTD.	\$ 788,537	\$ 742,828
CRYOMAX U.S.A. INC.	430,997	350,433
CRYOMAX MEXICO S.A.DE C.V.	45	-
	<u>\$ 1,219,579</u>	<u>\$ 1,093,261</u>

1. For information on subsidiaries of the Company, please refer to Note 4(3) of the Company's 2022 consolidated financial statements.

2. The details of the investment (loss) recognized by the equity method are as follows:

	<u>2022</u>	<u>2021</u>
CRYOMAX INTERNATIONAL LTD.	\$ 33,206	(\$ 7,002)
CRYOMAX U.S.A. INC.	50,606	47,033
CRYOMAX MEXICO S.A.DE C.V.	( 31)	-
	<u>\$ 83,781</u>	<u>\$ 40,031</u>

(6) Property, plant and equipment

	<u>2022</u>				
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decease</u>	<u>Net Exchange Difference</u>	<u>Ending Balance</u>
Cost					
Land	\$ 321,879	\$ -	\$ -	\$ -	\$ 321,879
Houses and buildings	178,485	1,374	( 620)	-	179,239
Machinery equipment	83,841	13,677	( 7,452)	2,502	92,568
Mold equipment	24,744	6,152	( 4,187)	576	27,285
Transportation equipment	15,103	1,046	( 1,018)	180	15,311
Office equipment	1,570	-	-	-	1,570
Other equipment	4,865	1,182	( 1,212)	-	4,835
Unfinished construction and equipment pending acceptance	4,698			( 3,258)	1,440
Total	<u>\$ 635,185</u>	<u>\$ 23,431</u>	<u>(\$ 14,489)</u>	<u>\$ -</u>	<u>\$ 644,127</u>
Accumulated Depreciation					
Houses and buildings	(\$ 86,971)	(\$ 8,622)	\$ 620	\$ -	(\$ 94,973)
Machinery equipment	( 28,802)	( 11,593)	2,245	-	( 38,150)
Mold equipment	( 12,738)	( 4,641)	4,044	-	( 13,335)
Transportation equipment	( 7,224)	( 2,566)	1,018	-	( 8,772)
Office equipment	( 511)	( 257)	-	-	( 768)
Other equipment	( 2,234)	( 733)	1,212	-	( 1,755)
Total	<u>(\$ 138,480)</u>	<u>(\$ 28,412)</u>	<u>\$ 9,139</u>	<u>\$ -</u>	<u>(\$ 157,753)</u>
Sum	<u>\$ 496,705</u>				<u>\$ 486,374</u>

	2021				
	Beginning Balance	Increase	Decease	Net Exchange Difference	Ending Balance
Cost					
Land	\$ 321,879	\$ -	\$ -	\$ -	\$ 321,879
Houses and buildings	178,063	1,285	( 863)	-	178,485
Machinery equipment	61,533	22,582	( 1,139)	865	83,841
Mold equipment	29,379	3,912	( 9,105)	558	24,744
Transportation equipment	15,585	1,158	( 1,640)	-	15,103
Office equipment	1,600	500	( 530)	-	1,570
Other equipment	4,196	1,092	( 423)	-	4,865
Unfinished construction and equipment pending acceptance	2,863	3,258		( 1,423)	4,698
Total	<u>\$ 615,098</u>	<u>\$ 33,787</u>	<u>(\$ 13,700)</u>	<u>\$ -</u>	<u>\$ 635,185</u>
Accumulated Depreciation					
Houses and buildings	( 79,221)	(\$ 8,613)	\$ 863	\$ -	(\$ 86,971)
Machinery equipment	( 20,411)	( 9,530)	1,139	-	( 28,802)
Mold equipment	( 16,529)	( 5,314)	9,105	-	( 12,738)
Transportation equipment	( 6,105)	( 2,485)	1,366	-	( 7,224)
Office equipment	( 746)	( 295)	530	-	( 511)
Other equipment	( 1,819)	( 838)	423	-	( 2,234)
Total	<u>(\$ 124,831)</u>	<u>(\$ 27,075)</u>	<u>\$ 13,426</u>	<u>\$ -</u>	<u>(\$ 138,480)</u>
Sum	<u>\$ 490,267</u>				<u>\$ 496,705</u>

1. There is no capitalization of borrowing costs for property, plant and equipment.
2. Please refer to Note 8 for information on providing guarantees with property, plant and equipment.

(7) Short-term loans

Type	Dec. 31, 2022	Interest rate interval	Collateral
Bank loan			
Secured loan	\$ 585,000	1.66%~1.78%	Land and buildings
Credit loan	291,000	1.65%~2.08%	-
	<u>\$ 876,000</u>		
Type	Dec. 31, 2021	Interest rate interval	Collateral
Bank loan			
Secured loan	\$ 544,219	1.02%~1.21%	Land and buildings
Credit loan	200,647	1.00%~1.32%	-
	<u>\$ 744,866</u>		

(8) Short-term notes payable

	<u>Dec. 31, 2022</u>	<u>Dec. 31 2021</u>
Commercial paper payable	\$ 50,000	\$ 136,000
Less: discount on commercial paper payable	( 148)	( 55)
	<u>\$ 49,852</u>	<u>\$ 135,945</u>
Interest rate interval	2.07%	0.43% ~ 1.18%

The above-mentioned commercial notes payable are guaranteed by China Bills Finance Corporation and O-Bank.

(9) Other payables

	<u>Dec. 31, 2022</u>	<u>Dec. 31 2021</u>
Payable salary and bonus	\$ 28,771	\$ 30,570
Directors' remuneration payable	5,460	4,089
Employee compensation Payable	5,460	4,089
Payable for equipment	170	2,332
Others	\$ 42,874	\$ 45,200
	<u>82,735</u>	<u>86,280</u>

(10) Other current liabilities

	<u>Dec. 31, 2022</u>	<u>Dec. 31 2021</u>
Refund liabilities	\$ 19,013	\$ 35,740
Others	1,135	1,135
	<u>\$ 20,148</u>	<u>\$ 36,875</u>

(11) Long-term loan

<u>Type</u>	<u>Loan Period and Repayment Method</u>	<u>Interest rate interval</u>		
<u>Collateral</u>	<u>Repayment as of December 31, 2022</u>			
Loans subject to repayment in installment				
Secured loan	From May 31, 2013 to May 31, 2028, and repaid on a monthly basis	1.73%-1.76%	Land and buildings	\$ 78,929
Credit loan	From May 27, 2020 to May 27, 2025, and repaid on a monthly basis	1.76%		<u>34,500</u>
				113,429
				<u>(22,183)</u>
				<u>\$ 91,246</u>
Less: Long-term loans due within one year or one business cycle			-	

Type	Loan Period and Repayment Method	Interest rate interval	Collateral	Repayment as of
				<u>December 31, 2021</u>
Secured loan	From May 31, 2013 to May 31, 2028, and repaid on a monthly basis	1.18%	Land and buildings	\$ 95,128
Credit loan	From May 31, 2013 to			<u>40,500</u>
				135,628
Less: Long-term loans due within one year or one business cycle				( <u>22,187</u> )
				<u>\$ 113,441</u>

## (12) Pensions

1.(1) According to the provisions of the "Labor Standards Act", the Company has established a retirement method with defined benefits, which is applicable to the service years of all regular employees before the implementation of the "Labor Pension Act " on July 1, 2005 and after its implementation, the follow-up service years of employees who choose to continue to apply the Labor Standards Act. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. For employees who meet the retirement requirements, the pension payment is calculated based on the service years and the average salary of the 6 months before retirement. Those with a period of service years within 15 years (included) will be given two bases for each full year, and one base is given for each full year for a period of service years over 15 years, but the cumulative maximum shall not exceed 45 bases. The Company allocates 2% of the total salary to the retirement fund on a monthly basis and deposits it in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, before the end of each year, the company estimates the balance of the special account for labor retirement reserves in the preceding paragraph, If the balance is insufficient to pay the estimated amount of pension calculated above for employees who are eligible for retirement in the next year, the company will allocate the difference before the end of March of the next year.

(2) The amount recognized in the balance sheet is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Defined present value of benefit obligation	\$ 28,809	\$ 35,226
Planned assets at fair value	( <u>23,810</u> )	( <u>22,083</u> )
Net defined benefit liabilities	<u>\$ 4,999</u>	<u>\$ 13,143</u>

(3) Changes in net defined benefit liabilities are as follows:

2022

	<u>Defined present value of benefit obligations</u>	<u>Planned assets at fair value</u>	<u>Net defined benefit liabilities</u>
Jan. 1	\$ 35,226	(\$ 22,083)	\$ 13,143
Current service cost	26	-	26
Interest expense (income)	<u>246</u>	<u>(155)</u>	<u>91</u>
	<u>35,498</u>	<u>(22,238)</u>	<u>13,260</u>
Remeasurement:			
Demographic assumptions	-	-	-
Change impact number			
Changes in financial assumptions			
Impact number	( 2,166)	-	( 2,166)
Experience adjustment	( 2,527)	-	( 2,527)
Return on planned assets			
(Loss)	<u>-</u>	<u>(1,620)</u>	<u>(1,620)</u>
	<u>(4,693)</u>	<u>(1,620)</u>	<u>(6,313)</u>
Contribution to pension funds	-	( 1,948)	( 1,948)
Payment of pension	<u>(1,996)</u>	<u>1,996</u>	<u>-</u>
Dec. 31	<u>\$ 28,809</u>	<u>(\$ 23,810)</u>	<u>\$ 4,999</u>

	2021		
	<u>Defined present value of</u>	Planned assets at fair value	Net defined benefit liabilities
	<u>benefit obligations</u>		
Jan. 1	\$ 37,775	(\$ 21,488)	\$ 16,287
Current service cost	45	-	45
Interest expense (income)	<u>151</u>	<u>(86)</u>	<u>65</u>
	<u>37,971</u>	<u>(21,574)</u>	<u>16,397</u>
Remeasurement:			
Demographic assumptions	39	-	39
Change impact number			
Changes in financial assumptions			
Impact number	( 1,273)	-	( 1,273)
Experience adjustment	254	-	254
Return on planned assets			
(Loss)	<u>-</u>	<u>(321)</u>	<u>(321)</u>
	<u>(980)</u>	<u>(321)</u>	<u>(1,301)</u>
Contribution to pension funds	-	( 1,953)	( 1,953)
Payment of pension	<u>(1,765)</u>	<u>1,765</u>	<u>-</u>
Dec. 31	<u>\$ 35,226</u>	<u>(\$ 22,083)</u>	<u>\$ 13,143</u>

(4) The assets of the Company's defined benefit retirement plan fund are entrusted by the Bank of Taiwan according to the ratio and amount of the fund's annual investment and use plan, and the items in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. depositing in financial institutions at home and abroad, investing in domestic and foreign listed, over-the-counter or privately placed equity securities, and investing in domestic and foreign real estate securitization products, etc.) to handle entrusted operations, and the relevant use is supervised by the Labor Pension Fund Supervisory Committee. For the use of this fund, the minimum income distributed by the annual final accounts shall not be lower than the income calculated according to the local bank's two-year fixed deposit interest rate. If there is any shortage, it shall be made up by the national treasury after approval by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standards No. 19. For the fair value of the fund's total assets on December 31, 2022 and 2021, please refer to the annual report on the use of labor pension funds announced by the government.

(5) Actuarial assumptions related to pensions are summarized as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	<u>1.40%</u>	<u>0.70%</u>
Rate of future salary	<u>3.00%</u>	<u>3.00%</u>

The assumptions for future mortality in 2022 and 2021 were estimated based on the sixth empirical life table of the Taiwan life insurance industry.

(6) The analysis of the present value of the definite benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

(7)	<u>Discount rate</u>	<u>Rate of future salary</u>		<u>Increase</u>	<u>0.25%</u>
	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>		
	Dec. 31, 2022				
	Impact on the present value of defined benefit obligations	(\$ <u>721</u> )	<u>\$ 748</u>	<u>\$ 662</u>	(\$ <u>643</u> )
	Dec. 31, 2021				
	Impact on the present value of defined benefit obligations	(\$ <u>984</u> )	<u>\$ 1,024</u>	<u>\$ 913</u>	(\$ <u>884</u> )

The above sensitivity analysis is based on the analysis of the impact of a single assumption change under the condition that other assumptions remain unchanged. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis in the current period are the same as those in the previous period.

- (8) In 2023, the Group expects to pay NT\$1,749 to the pension plan.
- (9) As of December 31, 2022, the weighted average duration of the pension plan was 11 years. The maturity analysis of pension payment is as follows:
- |                  |    |               |
|------------------|----|---------------|
| Less than 1 year | \$ | 543           |
| 1-2 years        |    | 2,171         |
| 2-5 years        |    | 7,105         |
| Over 5 years     |    | <u>7,410</u>  |
|                  | \$ | <u>17,229</u> |

2.(1) Since July 1, 2005, the Company and its domestic subsidiaries have formulated a retirement method with a definite contribution in accordance with the "Labor Pension Act", which is applicable to employees of their nationality. The Company and its domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Act" for employees, and contribute labor pensions to the individual accounts of the labor insurance bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee The amount of personal pension special account and accumulated income is collected in the form of monthly pension or one-time pension.

- (2) In 2022 and 2021, the pension cost recognized by the Group according to the above pension method was NT\$4,395 and NT\$4,263 respectively.



### (13) Share capital

1. As of December 31, 2022, the Company's rated capital was NT\$1,000,000 thousand, divided into 100,000 thousand shares, and the paid-in capital was NT\$686,244 thousand, with a par value of NT\$10 per share.
2. The adjustment of the number of outstanding common stocks of the Company at the beginning of the period and at the end of the period is as follows:

	<u>2022</u>	<u>2021</u>
	<u>Shares (1,000)</u>	<u>Shares (1,000)</u>
Jan. 1	68,624	65,357
Stock dividends	<u>-</u>	<u>3,267</u>
Dec. 31	<u>68,624</u>	<u>68,624</u>

3. The resolution of the shareholders meeting on July 15, 2021 was to issue 3,267,000 new shares with a capital increase of NT\$32,678,000 from the undistributed surplus, with a par value of NT\$10 per share. It was approved and announced by the Financial Supervisory Commission on August 3, 2021. The resolution of the board of directors on August 11, 2021 determined to have September 8, 2021 as the base date for capital increase.

### (14) Capital reserves

Due to the provisions of the Company Act, the surplus from the issuance of stocks exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to cover capital losses, it may not use capital reserves to make up for it.

### (15) Retained earnings

1. According to the Articles of Association of the Company, profit distribution or loss compensation may be distributed in the following order after the end of each year:
  - (1) Pay taxes according to laws.
  - (2) Make up for accumulated losses.
  - (3) After deducting items (1) and (2), if there is any balance, 10% is withdrawn as the legal reserve, but this does not apply in the event that the legal reserve has reached the amount of paid-in capital.
  - (4) Allocate or reverse the special reserve according to laws and regulations or necessary for operation.
  - (5) After deducting the balance of items (1) to (4), the accumulate undistributed surplus in previous years will be the distributable amount of shareholder dividends.
2. With the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, the Company may distribute all or part of the dividends and bonuses in the form of cash distribution and report to the shareholders' meeting. The preceding paragraph does not apply It shall be subject to the resolution of the shareholders' meeting.
3. The legal reserve shall not be used except to make up for the Company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, if the issue of new shares or cash is issued, the reserve shall exceed 25% of the paid-in capital.

- 4.(1) When the Company distributes surplus, it is required by laws and regulations that the debit balance of other equity items on the balance sheet date of the current year shall be allocated as a special surplus reserve before distribution. When the debit balance of other equity items is subsequently reversed, the reversal amount may be included in the distributable surplus.
- (2) When adopting IFRSs for the first time, the special reserve was set based on the official letter Jin Guan Zheng Fa Zi No. 1010012865 issued on April 6, 2022. When the Company subsequently uses, disposes or reclassifies related assets, the original special reserve will be reversed based on the allocated proportion. If the above-mentioned relevant assets are investment real estate, the part belonging to the land shall be reversed during disposal or reclassification, and the part other than the land shall be reversed period by period during the period of use.
5. On March 25, 2022, the Company passed the 2021 surplus distribution plan through the resolution of the board of directors and on March 26, 2022, the board of directors resolved to approve the 2020 surplus distribution plan as follows:

	2021		2020	
	Amount	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)
Legal reserve	\$ 10,352		\$ 17,236	
Special reserve	11,230		2,853	
Cash dividends	68,624	\$ 1.00	98,035	\$ 1.50
Stock dividends	-	-	32,678	0.50
	<u>\$ 90,206</u>		<u>\$ 150,802</u>	

The legal reserve, special reserve and cash dividends of the 2022 surplus distribution plan were approved by the shareholders' meeting on May 27, 2021.

6. On August 10, 2022 and August 11, 2021, the Company passed the resolution of the board of directors of not distributing earnings of the first half of 2022 and 2021.
7. On March 23, 2023, the Company passed a resolution of the board of directors to distribute a cash dividend of NT\$1 for ordinary shares in 2022. The total dividend was NT\$68,624,000. However, the cash dividend has not yet been reported to the shareholders' meeting.

#### (16) Operating revenue

	2022	2021
Revenue from Contracts with Customers	<u>\$ 1,800,057</u>	<u>\$ 1,741,384</u>

##### 1. Breakdown of customer contract revenue

The Company's revenue is derived from commodities transferred at a certain point in time, and revenue can be broken down into the following major geographic regions:

	2022	2021
America	<u>\$ 1,318,739</u>	<u>\$ 1,741,384</u>
Taiwan	264,067	238,105
Europe	62,660	59,461
Asia	53,168	64,586
Others	101,423	99,277
Total	<u>\$ 1,800,057</u>	<u>\$ 1,741,384</u>

## 2. Contract liabilities and refund liabilities

The Company recognizes contract liabilities related to customer contract revenue as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Contract liabilities - advance receipts	\$ 7,426	\$ 6,244	\$ 16,413
Refund liabilities (Note)	<u>\$ 19,013</u>	<u>\$ 35,740</u>	<u>\$ 27,913</u>

Note: Other current liabilities are listed in the refund liabilities table, mainly due to the estimated sale discount. Contract liabilities at the beginning of the period is recognized as revenue of the current period.

	2022	2021
Opening balance of contract liabilities		
Revenue recognized in the current period	<u>\$ 5,021</u>	<u>\$ 15,936</u>
(17) <u>Interest revenue</u>		
	2022	2021
Interest from bank deposits	\$ 578	\$ 45
Other interest revenue	1,800	2,785
	<u>\$ 2,378</u>	<u>\$ 2,830</u>
(18) <u>Other revenue</u>		
	2022	2021
Lease revenue	\$ 379	\$ 816
Dividend revenue	174	564
Others	3,591	4,445
	<u>\$ 4,144</u>	<u>\$ 5,825</u>
(19) <u>Other profits and losses</u>		
	2022	2021
Disposal of property, plant and equipment	\$ 1,415	\$ 2,475
Net foreign currency exchange (loss) profit	11,649	( 2,342)
Net foreign exchange (loss) profits	24,034	1,868
Total	<u>\$ 37,098</u>	<u>\$ 2,001</u>

## (20) Financial costs

	2022	2021
Interest expense:		
Bank loan	\$ 13,325	\$ 9,137
Short-term notes discount payable	<u>1,078</u>	<u>880</u>
	<u>\$ 14,403</u>	<u>\$ 10,017</u>

(21) Additional information on the nature of the fee

Type	2022		
	Operating costs	Operating expenses	Total
Employee Benefit Expenses			
Salary Expenses	\$ 85,845	\$ 47,278	\$ 133,123
NHI and Labor Insurance Premium	9,254	4,029	13,283
Pension Expenses	2,726	1,786	4,512
Directors' remuneration	-	7,015	7,015
Other employment expenses	<u>4,883</u>	<u>1,168</u>	<u>6,051</u>
Subtotal	<u>\$ 102,708</u>	<u>\$ 61,276</u>	<u>\$ 163,984</u>
Property, plant and equipment depreciation expense	<u>\$ 19,746</u>	<u>\$ 8,666</u>	<u>\$ 28,412</u>
Amortization expense of intangible assets	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ 213</u>

Type	2021		
	Operating costs	Operating expenses	Total
Employee Benefit Expenses			
Salary Expenses	\$ 87,734	\$ 43,434	\$ 131,168
NHI and Labor Insurance Premium	9,026	3,728	12,754
Pension Expenses	2,623	1,750	4,373
Directors' remuneration	-	5,129	5,129
Other employment expenses	<u>4,869</u>	<u>1,410</u>	<u>6,279</u>
Subtotal	<u>\$ 104,252</u>	<u>\$ 55,451</u>	<u>\$ 159,703</u>
Property, plant and equipment depreciation expense	<u>\$ 17,728</u>	<u>\$ 9,347</u>	<u>\$ 27,075</u>
Amortization expense of intangible assets	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 99</u>

1. The number of employees in this year and the previous year is 197 and 226 respectively, of which the number of directors who are not concurrently serving as employees are 7 and 5 respectively.
2. The average employee benefits expense for the current year is NT\$826,000; the average employee benefits expense for the previous year was NT\$699,000. The average salary cost of employees for the current year is NT\$701,000; and the average salary cost of employees in the previous year was NT\$594,000 thousand. The average employee salary adjustment changes by 18.01%.

(1) The Company has an audit committee, so there is no supervisor.

(2) The Company's remuneration policy is as follows:

- a. The Company's directors and managers' remuneration standards are all handled in accordance with the Company's HR regulations, unless otherwise stipulated by laws and regulations or the Company's Articles of Association.
- b. The performance evaluation and remuneration of directors and managers should refer to the normal payment situation of the industry, and consider the rationality of the relationship with individual performance, company operating performance and future risks.

- c. The Remuneration Committee regularly evaluates the policies, systems, standards and structures of performance evaluation and remuneration of directors and managers.
  - d. Directors' remuneration includes remuneration and traveling expenses.
  - e. Managers and employees remuneration includes salaries, bonuses, employee wages and employee stock options, etc.
  - f. The remuneration of managers and employees is based on the calculation of individual performance by referring to the common payment ranges among the industry, taking into account personal work experience and performance, previous salary conditions, "guidelines of salary system" and "guidelines of employee performance appraisal" to evaluate individual performance.
3. According to the articles of association of the company, if the company makes a profit in the year, it should allocate no less than 1% and no more than 5% of the employee's remuneration; the director's remuneration should not exceed 5%. However, if the company still has accumulated losses, it shall reserve the amount to make up the losses in advance. The remuneration of employees referred to in the preceding paragraph shall be in stock or cash, and the distribution objects may include employees of affiliated companies who meet certain conditions such as rank and performance, and the qualification conditions shall be determined by the board of directors.
  4. The Company's employees remuneration and directors' remuneration in 2022 and 2021 are estimated as follows:

	2022	2021
Employees remuneration	\$ 5,460	\$ 4,089
Directors' remuneration	5,460	4,089
Total	<u>\$ 10,920</u>	<u>\$ 8,178</u>

For the years 2022 and 2021, it is estimated at 3% based on the profit as of the current period. The amount of employees' remuneration and directors' remuneration for 2021 approved by the board of directors is consistent with the amount recognized in the financial report of 2021. The above-mentioned employees' remuneration will be paid in cash. The previous year's employees' remuneration and directors' remuneration have been distributed in full.

Information about employees and directors' remuneration approved by the company's board of directors is available at the official site of MOPS.

## (22) Income tax

### 1. Income tax expense

#### (1) Components of income tax expense:

	2022	2021
Current income tax:		
Income tax generated from current income	\$ 12,551	\$ 18,104
Income tax underestimation for previous years	<u>1,236</u>	<u>1,426</u>
Total current income tax	<u>13,787</u>	<u>19,530</u>
Deferred income tax:		
Origin and reversal of temporary differences	<u>19,691</u>	<u>6,113</u>
Total deferred income tax	<u>19,691</u>	<u>6,113</u>
Income tax expense	<u>\$ 33,478</u>	<u>\$ 25,643</u>

(2) Amount of income tax related to other comprehensive (profit) or loss:

	<u>2022</u>	<u>2021</u>
Conversion difference of foreign operating institutions	(\$ 7,494)	\$ 1,739
Share of other comprehensive profit and loss of affiliated enterprises	( 2,261)	1,069
Remeasurements of defined benefit obligations	( 1,263)	( 260)
	<u>(\$ 11,018)</u>	<u>\$ 2,548</u>

2. Relationship between income tax expense and accounting profit:

	<u>2022</u>	<u>2021</u>
Income tax calculated on net profit before tax according to statutory tax rate	\$ 34,293	\$ 25,624
Expenses to be excluded according to the tax law	565	111
Income exempted from tax according to the tax law	( 2,052)	( 215)
Changes in assessment of realizability of deferred tax assets	( 564)	( 1,303)
Income tax underestimation for previous years	<u>1,236</u>	<u>1,426</u>
Income tax expense	<u>\$ 33,478</u>	<u>\$ 25,643</u>

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	<u>2022</u>			
	<u>Beginning balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive net income</u>	<u>Ending balance</u>
Temporary differences:				
-Deferred tax assets:				
Provisions for sales returns and discount	\$ 7,148	(\$ 3,345)	\$ -	\$ 3,803
Provisions for inventory sluggish and price loss	3,272	( 888)	-	2,384
Inventory scrap loss	83	170	-	253
Pension cost	2,628	( 366)	( 1,263)	999
Accumulated work bonus	889	( 84)	-	805
Unrealized benefit from the sale of molds	1,263	( 259)	-	1,004
Number of accumulated conversion impact	22,328	-	( 9,755)	12,573
Others	<u>461</u>	<u>371</u>	<u>-</u>	<u>832</u>
	<u>\$ 38,072</u>	<u>( 4,401)</u>	<u>( 11,018)</u>	<u>\$ 22,653</u>
- Deferred tax liabilities:				
Land Value Increment Tax Provision	(\$ 897)	\$ -	\$ -	(\$ 897)
Overseas long-term investment benefits	<u>( 37,691)</u>	<u>( 15,290)</u>	<u>-</u>	<u>( 52,981)</u>
	<u>(\$ 38,588)</u>	<u>( 15,290)</u>	<u>-</u>	<u>(\$ 53,878)</u>
		<u>(\$ 19,691)</u>	<u>(\$ 11,018)</u>	

	2021			
	Beginning balance	Recognize d in profit or loss	Recognized in other comprehensive net income	Ending balance
Temporary differences:				
-Deferred tax assets:				
Provisions for sales returns and discount	\$ 5,583	\$ 1,565	\$ -	\$ 7,148
Provisions for inventory sluggish and price loss	3,522	( 250)	-	3,272
Inventory scrap loss	69	14	-	83
Pension cost	3,257	( 369)	( 260)	2,628
Accumulated work bonus	1,024	( 135)	-	889
Unrealized benefit from the sale of molds	1,803	( 540)	-	1,263
Number of accumulated conversion impact	19,520	-	2,808	22,328
Others	1,020	( 559)	-	461
	<u>\$ 35,798</u>	<u>( 274)</u>	<u>2,548</u>	<u>\$ 38,072</u>
- Deferred tax liabilities:				
Land Value Increment Tax Provision	( 897)	\$ -	\$ -	(\$ 897)
Overseas long-term investment benefits	( 30,053)	( 7,638)	-	( 37,691)
Others	( 1,799)	1,799	-	-
	<u>( 32,749)</u>	<u>( 5,839)</u>	<u>-</u>	<u>(\$ 38,588)</u>
		<u>(\$ 6,113)</u>	<u>\$ 2,548</u>	

4. The Company's profit-seeking income tax has been approved by the tax collection agency until 2020.





When calculating diluted earnings per share, it is assumed that employee remuneration will be fully issued in the current period, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a dilutive effect.

(24) Supplementary cash flow information

Investment activities with only partial cash payments:

	2022	2021
Property, plant and equipment Purchase	\$ 23,431	\$ 33,787
Add: Beginning payables on equipment	2,332	270
Loss: Ending payables on equipment	( 170)	( 2,332)
Add: Beginning payables on equipment-related party	3,696	3,708
Loss: Ending payables on equipment-related party	( 4,508)	( 3,696)
Loss: Beginning prepayments for equipment	( 6,640)	( 4,287)
Add: Ending prepayments for equipment	525	6,640
Payable cash of this period	<u>\$ 18,666</u>	<u>\$ 34,090</u>

(25) Changes in liabilities from financing activities

	<u>Short-term loan</u>	Long-term loans (including due within one year or within one business cycle)	Short-term notes payable	Dividends payable	Total liabilities from financing activities
Jan. 1, 2022	\$744,866	\$ 135,628	\$ 135,945	\$ -	\$ 1,016,439
Changes in financing cash flow	129,994	(22,199)	(86,000)	(68,624)	(46,829)
Effect of exchange rate changes	1,139	-	-		1,139
Other non-cash changes	-	-	( 93)	68,624	68,531
	-				
December 31, 2022	<u>\$876,000</u>	<u>\$ 113,429</u>	<u>\$ 49,852</u>	<u>\$ -</u>	<u>\$ 1,039,280</u>

	Short-term loan	Long-term loans (including due within one year or within one business cycle)	Short-term notes payable	Dividends payable	Total liabilities from financing activities
Jan. 1, 2022	\$ 547,458	\$ 213,059	\$ 105,935	\$ -	\$ 866,452
Changes in financing cash flow	197,728	( 77,431)	29,900	(98,035)	52,162
Effect of exchange rate changes	320)	-	-	-	( 320)
Other non-cash changes	-	-	110	98,035	98,145
December 31, 2022	<u>\$ 744,866</u>	<u>\$ 135,628</u>	<u>\$ 135,945</u>	<u>\$ -</u>	<u>\$ 1,016,439</u>

## 7. Transactions with related parties

### (1) The names of and relations with the related parties

<u>Related Parties</u>	<u>Relations</u>
CRYOMAX U.S.A INC.(CRYOMAXUSA)	Subsidiary of the Company
Dongguan Jiwang Auto Parts Co., Ltd.(Dongguan Jiwang)	Subsidiary of the Company
Nanjing Jimao Auto Parts Co., Ltd.(Nanjing Jimao)	Subsidiary of the Company
CRYOMAX MEXICO S.A.DE C.V.	Subsidiary of the Company
DENSO PRODUCTS AND SERVICES AMERICAS,INC.(DPAM)	Other related party
DENSO INTERNATIONAL ASIA PTE. LTD.(DIAS)	Other related party
DENSO MANUFACTURING ARGENTINA S.A.(DNAR)	Other related party
DENSO DO BRASIL LTDA(DNBR)	Other related party
DMTT	Other related party
DSCH	Other related party
DENSO TAIWAN	Other related party
DENSO Company	Individual with significant influence on the Company
DENSO MANUFACTURING MICHIGAN, INC(DMMI)	Other related party
DENSO EUROPE B.V.(DNEU)	Other related party

### (2) Significant transactions with related parties

#### 1. Operating revenue

	<u>2022</u>	<u>2021</u>
Sale of goods :		
– DPAM	\$ 269,045	\$ 304,593
– CRYOMAXUSA	294,490	253,340
– Subsidiary	17,017	21,851
– Other related party	73,294	69,825
	<u>\$ 653,846</u>	<u>\$ 649,609</u>

The transaction price of the above-mentioned goods is handled according to the agreement between both parties. For the payment conditions in 2022 and 2021, except that the subsidiary CRYOMAXUSA will be the prepayment due to exchange rate considerations, and the rest of the related parties will collect the payment within 60 days after the monthly settlement, and the general customers will collect the payment within 30-90 days of the monthly settlement.

## 2. Purchase

	<u>2022</u>	<u>2021</u>
Purchase:		
– Nanjing Jimao	\$ 793,009	\$ 704,681
– Dongguan Jiwang	196,221	255,827
– Other related party	930	992
	<u>\$ 990,160</u>	<u>\$ 961,500</u>

The above-mentioned purchase transactions are mainly purchased directly from Dongguan Jiwang and Nanjing Jimao, and some are purchased from manufacturers. There is no relevant similar transaction to follow for the purchase price. Payment conditions Nanjing Jimao and Dongguan Jiwang will pay within 60 days of the monthly settlement in 2022 and 2021; for other related parties of the company, the payment will be made within 30-90 days of the monthly settlement, and the general supplier will pay within 30-120 days of the monthly settlement.

## 3. Operating expenses

	<u>2022</u>	<u>2021</u>
Individuals with significant influence on the Company	<u>\$ 5,334</u>	<u>\$ 5,152</u>

The operating expenses above are related to royalties and are paid every six months.

## 4. Accounts receivable

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Receivables from related parties:		
– DPAM	\$ 44,665	\$ 33,898
– Subsidiary	17,132	<u>7,320</u>
– Other related party	<u>7,030</u>	<u>18,757</u>
	<u>\$ 68,827</u>	<u>\$ 59,975</u>

## 5. Accounts payable

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
(1)Accounts payable:		
– Dongguan Jiwang	\$ 24,592	\$ 39,432
– Nanjing Jimao	47,869	4,044
– Subsidiary	-	238
– Other related party	<u>234</u>	<u>272</u>
	<u>\$ 72,695</u>	<u>\$ 43,986</u>
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
(2) Other payables:		
Individuals with significant influence on the Company	<u>\$ 5,509</u>	<u>\$ 2,801</u>

The other payables mentioned above are royalties paid every six months.

## 6. Property transactions

(1) Acquisition of property, plant and equipment

	2022		2021	
	<u>Value for equipment</u>	<u>Payable for equipment</u>	<u>Value</u>	<u>Payable</u>
Nanjing Jimao	<u>\$ 10,695</u>	<u>\$ 4,508</u>	<u>\$ 8,774</u>	<u>\$ 3,696</u>

(2) Disposal of property, plant and equipment

	2022		2021	
	<u>Value</u>	<u>Disposal benefit</u>	<u>Value</u>	<u>Disposal benefit</u>
Nanjing Jimao	<u>\$ 1,605</u>	<u>\$ 1,415</u>	<u>\$ 1,127</u>	<u>\$ 2,474</u>

7. Capital loan to related parties

(1) Loan to related parties

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
A. Ending balance:		
— Nanjing Jimao	\$ 51,931	\$ 104,408
— Subsidiary	<u>4,607</u>	<u>-</u>
	<u>\$ 56,538</u>	<u>\$ 104,408</u>
B. Interest revenue		
— Nanjing Jimao	<u>2022</u> \$ 1,800	<u>2021</u> \$ 2,785

The conditions of the loan to Nanjing Jimao is to repay the principal and interest after the maturity of one year after the actual allocation, and the interest in the 2022 and 2021 is charged at an annual rate of 2%; the loan to other subsidiaries is mainly short-term loans to Mexico Jimao, the principal will be repaid after 1 year of actual allocation, and no interest was calculated in 2022.

8. Situations of providing endorsement/guarantee: Please refer to Note 13 (1) 2. for instructions for endorsement/guarantee for others.

(3) Salary of major management level

	<u>2022</u>	<u>2021</u>
Salary and other short-term employee benefits	\$ 20,960	\$ 17,758
Pension benefits	<u>324</u>	<u>270</u>
	<u>\$ 21,284</u>	<u>\$ 18,028</u>

8. Pledged assets

The Company's asset guarantees or restricted assets are as follows:

Assets	Carrying Value		Purpose
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	
Property, plant and equipment	<u>\$ 406,145</u>	<u>\$ 413,393</u>	Longterm/shortterm loan

## 9. Significant contingent liabilities and unrecognized contractual commitments

### (1) Contingencies

N/A.

### (2) Commitments

N/A.

## 10. Major disaster losses

N/A.

## 11. Significant subsequent matters

N/A.

## 12. Others

### (1) Capital risk management

The Company's capital management objectives are to ensure the Company can continue to operate, maintain an optimal capital structure to reduce capital costs, and provide shareholders with remuneration. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Company monitors its capital using the debt-to-assets ratio, which is calculated by dividing total liabilities by total assets.

### (2) Financial instruments

#### 1. Types of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 13,925	\$ 18,236
Mandatory financial assets at fair value through profit or loss		
Financial assets/Loans and receivables measured at amortized cost		
Cash and cash equivalents	\$ 252,937	\$ 149,110
Notes receivable	41,111	38,331
Accounts receivable	169,735	151,470
Accounts receivable - related party	68,827	59,975
Other receivables - related party	56,538	104,408
Refundable deposits	427	715
	<u>\$ 603,500</u>	<u>\$ 522,245</u>

<u>Financial liabilities</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Short-term loan	\$ 876,000	\$ 744,866
Short-term notes payable	49,852	135,945
Notes payable	-	240
Accounts payable	34,593	45,423
Accounts payable-related party	72,695	43,986
Other payable	82,735	86,280
Other payable-related party	10,017	6,497
Long-term loans (including due within one year or within one business cycle)	<u>113,429</u>	<u>135,628</u>
	<u>\$ 1,239,321</u>	<u>\$ 1,198,865</u>

## 2. Risk management policy

- (1) The daily operation of the Company is affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk and liquidity risk.
- (2) The risk management work is carried out by the finance department of the Company in accordance with the policies approved by the board of directors. The Company's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with various operating units within the Group. The board of directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

## 3. The nature and extent of material financial risks

### (1) Market risk

#### Exchange rate risk

- A. The Company operates on an international scale, so it is subject to exchange rate risks arising from transactions that are relatively different from the functional currencies of the Company and its subsidiaries, mainly US dollars and Renminbi (Chinese Yuan). The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- B. The Company's management has established policies requiring each unit within the Company to manage exchange rate risk relative to its functional currency. Exchange rate risk is measured through anticipated transactions of highly probable expenditures in US dollars and Renminbi. Each unit should hedge its overall exchange rate risk through the Finance Department of the Company.
- C. The Company's business involves certain non-functional currencies, so it is affected by exchange rate fluctuations. The foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

		2022		
		Foreign Currency (1,000)	Exchange	Carrying Amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Currency</u>				
USD : NTD	\$	11,726	30.71	\$ 360,105
EUR : NTD		492	32.72	16,098
RMB : NTD		15,225	4.41	67,142
<u>Financial liabilities</u>				
<u>Currency</u>				
USD : NTD	\$	3,141	30.71	\$ 96,460
		2021		
		Foreign Currency (1,000)	Exchange	Carrying Amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Currency</u>				
USD : NTD	\$	9,870	27.68	\$ 273,202
EUR : NTD		517	31.32	16,192
RMB : NTD		16,685	4.34	72,413
<u>Financial liabilities</u>				
<u>Currency</u>				
USD : NTD	\$	11,778	27.68	\$ 326,015

D. The Company's monetary items have a significant impact on exchange rate fluctuations. The aggregated amounts of all exchange gains and losses recognized in 2022 and 2021 (including realized and unrealized) are net gains (losses) of NT\$24,034 thousand and NT\$1,868 thousand.

E. The Company's foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

		2022		
		Sensitivity Analysis		
		Extent of Change	Profit and Loss Affected	Other Comprehensive Profit and Loss Affected
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Currency</u>				
USD : NTD	1%	\$	3,601	\$ -
EUR : NTD	1%		161	-
RMB : NTD	1%		671	-
<u>Financial liabilities</u>				
<u>Currency</u>				
USD : NTD	1%	(	\$ 965)	\$ -
		2021		
		Sensitivity Analysis		
		Foreign Currency (1,000)	Exchange	Carrying Amount (NTD)
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Currency</u>				
USD : NTD	1%	\$	2,732	\$ -
EUR : NTD	1%		162	-
RMB : NTD	1%		724	-
<u>Financial liabilities</u>				
<u>Currency</u>				
USD : NTD	1%	(\$	3,260)	\$ -

### Cash flow and fair value interest rate risk

- A. The Company's interest rate risk mainly comes from long-term and short-term loans issued at floating rates, which expose the Company to cash flow interest rate risk. It is the Company's policy to maintain at least a certain percentage of its borrowings at fixed rates, which will be achieved through interest rate when necessary. In 2022 and 2021, the Company's loans issued at floating rates were mainly denominated in NT dollars and US dollars.
- B. The Company's borrowings are measured at cost after amortization, and the annual interest rate will be re-priced according to the contract, so the Company is exposed to the risk of future market interest rate changes.
- C. When the loan interest rate rises or falls by 0.25%, and all other factors remain unchanged, the after-tax net profit in 2022 and 2021 will decrease or increase by NT\$2,203 thousand and NT\$2,177 thousand respectively, mainly due to changes in interest expenses due to floating rate borrowings.
- (2) Credit risk
- A. The Company's credit risk is the risk of the Company's financial loss due to the inability of the customer or the counterparty of the financial instrument to perform the contractual obligations, which are mainly due to the inability of the counterparty to pay off the accounts receivable, notes receivable and the contractual cash flows of a financial asset measured at amortized cost.
- B. The Company establishes credit risk management from a group perspective. For



the banks and financial institutions with which they communicate, the credit of bank deposit banks is checked according to the ratings of external credit agencies. According to the internally specified credit policy, each operating entity within the group and each new customer must conduct management and credit risk analysis before setting payment and proposing the terms and conditions of delivery. Internal risk control is to assess the credit quality of customers by considering their financial status, past experience and other factors. Limits for individual risks are established by the board of directors based on internal or external assessments, and the use of credit limits is regularly monitored.

- C. The Company adopts IFRS 9 to provide the presumption that when the contract payment is overdue for more than 90 days according to the agreed payment terms, it is deemed to have breached the contract.
- D. The Company adopts the assumptions provided by IFRS 9 as the basis for determining whether the credit risk of financial instruments has increased significantly since the original recognition:  
 "When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition."
- E. The Company classifies accounts receivable of customers according to the characteristics of customer types, and uses a simplified method to estimate expected credit losses based on the provision matrix.
- F. The indicators used by the Company to determine debt instrument investment as credit-impaired are as follows:
- (A) The issuer is in significant financial difficulty, or has a significantly increased likelihood of going into bankruptcy or other financial reorganization;
  - (B) The active market for the financial asset has ceased to exist due to the issuer's financial difficulties;
  - (C) Delay or non-payment of interest or principal by the issuer;
  - (D) Any adverse changes in national or regional economic conditions that cause the issuer to default.
- G. After the recourse procedure, the Company will write off the amount of financial assets that cannot be reasonably expected to be recovered, but the Company will continue to carry out legal procedures for recourse to preserve the right of creditor's rights.
- H. The Company adjusted the loss rate established based on the historical and current information of a specific period by taking into account the forward-looking consideration of the future to estimate the provision loss of accounts receivable. The provision matrix on December 31, 2022 and 2021 is as follows:

	<u>Not</u>	<u>Within 30</u>	<u>31-90</u>	<u>91-180</u>	<u>Over 181</u>	<u>Total</u>
<u>December 31, 2022</u>	<u>overdue</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>days</u>	
Expected loss rate	0.11%	0.60%	1.64%	13.25%	100.00%	
Total book value	\$138,417	\$25,535	\$ 6,113	\$ 83	\$ 354	\$170,502
Allowance for losses	\$ 150	\$ 152	\$ 100	\$ 11	\$ 354	\$ 767
	<u>Not</u>	<u>Within 30</u>	<u>31-90</u>	<u>91-180</u>	<u>Over 181</u>	<u>Total</u>
<u>December 31, 2021</u>	<u>overdue</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>days</u>	
Expected loss rate	0.34%	0.70%	3.63%	79.77%	100.00%	
Total book value	\$133,717	\$17,362	\$ 965	\$ 173	\$ 20	\$152,237
Allowance for losses	\$ 453	\$ 121	\$ 35	\$ 138	\$ 20	\$ 767

- I. The Company adopts the simplified method to change the account receivable allowance loss change statement as follows:

	<u>2022</u>	<u>2021</u>
Jan. 1 and Dec. 31	\$ <u>767</u>	\$ <u>767</u>

(3) Liquidity risk

- A. The cash flow forecast is carried out by each operating unit within the Company and summarized by the Finance Department who monitors the forecast of the Company's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused borrowing commitments at any time.
- B. If there are surplus funds, the financial units of the Company will invest in interest-bearing demand deposits, time deposits, money market deposits and securities at their discretion, and the instruments they choose have appropriate maturity dates or sufficient liquidity to meet the above-mentioned forecast and provide sufficient dispatch level.
- C. The details of the Company's unused loan amount are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating interest rate	\$ 197,000	\$ 364,994
Due within one year		
Due over one year later	<u>-</u>	<u>-</u>
	<u>\$ 197,000</u>	<u>\$ 364,994</u>

- D. The following table demonstrates the Company's non-derivative financial liabilities, which are classified according to the relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities

December 31, 2022	<u>Within 1 year</u>	<u>1-2 years</u>	<u>Over 2 years</u>	<u>Total</u>	<u>Short-term</u>
loan	\$ 880,569	\$ -	\$ -	\$ 880,569	
Accounts payable for short-term notes	50,000	-	-	50,000	
Accounts payable other	34,593	-	-	34,593	
payables of related parties	72,695	-	-	72,695	
Accounts payable- related party	82,735	-	-	82,735	
Other payables	10,017	-	-	10,017	
Other payables - related party	23,771	23,771	74,048	121,590	
Long-term loans (including due within one year or within one business cycle)					

Non-derivative financial liabilities

December 31, 2021	<u>Within 1 year</u>	<u>1-2 years</u>	<u>Over 2 years</u>	<u>Total</u>
Short-term loan	\$ 748,514	\$ -	\$ -	\$ 748,514
Short-term notes payable	136,000	-	-	136,000
Notes payable	240	-	-	240
Accounts payable	45,423	-	-	45,423
Accounts payable - related party	43,986	-	-	43,986
Other payables	86,280	-	-	86,280
Other payables - related party	6,497	-	-	6,497
Long-term loans (including due within one year or within one business cycle)	23,514	96,738	23,514	143,766

(3) Fair value information

- The definitions of each level of evaluation techniques used to measure the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available to the enterprise on the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the over-the-counter stock investment invested by the Group belongs to this category.

Level 2: Observable inputs, directly or indirectly, for the asset or liability other than quoted prices included in level 1.

Level 3: Unobservable inputs to the assets or liabilities.

- Financial instruments not measured at fair value

Financial instruments not measured at fair value by the Company include cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, deposits, short-term loans, short-term notes payable, notes payable, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term loans (including due within one year or within one business cycle), and the carrying amount of the lease liability is a reasonable approximation of the fair value.

- Financial and non-financial instruments measured by fair value are classified by the Company based on the nature, characteristics and risks of assets and liabilities and the basis of fair value levels. The relevant information is as follows:

(1) The Company is classified according to the nature of assets and liabilities, and the relevant information is as follows:

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 13,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,925</u>

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 18,236	\$ -	\$ -	\$ 18,236

(2) The methods and assumptions used by the Company to measure the fair value are as follows:

If the Company adopts market quotations as the input value of the fair value (i.e. Level 1), it is classified according to the characteristics of the instrument as follows:

Listed (OTC) company stock

Market quotation

Closing price

- In 2022 and 2021, there was no transfer between levels 1 and 2.
- In 2022 and 2021, there was no inward and outward transfer from Level 3.

### 13. Disclosures

#### (1) Information about major transactions

- Funds loaned to others: Please see Table 1.
- Endorsement/guarantee for others: Please see Table 2.
- The situation of securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture control parts): Please see Table 3.
- The accumulative purchase or sale of the same securities reaches NT\$300 million or more than 20% of the paid-in capital: N/A.
- The amount of real estate acquired reaches NT\$300 million or more than 20% of the paid-in capital: N/A.
- The amount of real estate disposed of reaches NT\$300 million or more than 20% of the paid-in capital: N/A.
- Purchases and sales of goods with related parties reach NT\$100 million or more than 20% of the paid-in capital: Please see Table 4.
- Receivables from related parties reach NT\$100 million or more than 20% of the paid-in capital: Please see Table 5.
- Engagement in derivative transactions: N/A.
- The business relationship between the parent company and its subsidiaries and between each subsidiary and the status and amount of important transactions: Please see Table 6.

#### (2) Information about reinvested business

Relevant information such as the name and location of the invested enterprises (excluding invested enterprises from mainland China): Please see Table 7.

(3) Information of investment at the mainland China

1. Basic information: Please see Table 8.
2. Significant transactions that occurred directly or indirectly through enterprises in third regions and invested enterprises reinvested in the mainland China: Please see Table 6.

(4) Information on major shareholders

Information on major shareholders: Please see Table 9.

14. Segment information

N/A.

(The following is omitted intentionally)

Cryomax Cooling  
System Corp.  
Loans to Others  
January 1 to December 31, 2022

Table 1

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

No. (Note 1 )	Borrowed from	Lent to	Type	Related? d?	Max.	Balance	Actual Utilized	Interest Rate Interval	Type	Amount for Business Interaction	Reason for Short-term Financing	Provision for loss	Collateral Name Value	Limit (Note 2 )	Total Limit (Note 3)	Remarks	
0	Cryomax	Nanjing Jimao	Other receivable-related party	Y	\$ 198,452	\$ 70,528	\$ 48,488	2%	Short-term Financing	\$ -	Turnover	\$ -	N	\$ -	\$ 279,888	\$ 559,776	Note 4
0	Cryomax receivable-related party	CRYOMAX MEXICO S.A. de C.V.	Other	Y	247,120	245,680	4,607	0%	Short-term Financing	-	Turnover	-	N	-	279,888	559,776	Note 4
1	Dongguan Jiwang party	Nanjing Jimao	Other receivable-related party	Y	67,380	59,653	59,653	0%~4.687%	Business Interaction	139,346	N/A	-	N	-	80,050	160,099	Note 4
2	CRYOMAX U.S.A. INC. receivable-related party	CRYOMAX MEXICO S.A. de C.V.	Other	Y	61,780	61,420	-	0%	Short-term Financing	-	Turnover	-	N	-	83,266	166,532	Note 4

Note 1: The description of the numbering column is as follows:

- (1) 0 for the issuer.
- (2) Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The description of the loan and limit of funds for individual objects is as follows:

- (1). For companies that need short-term financing, the amount of each loan shall not exceed 20% of the net value of the latest financial statement.
- (2). For those who have business contacts, the amount of each loan shall not exceed the higher of the estimated actual purchase and sales amount in the latest year or the next year, and shall not exceed 20% of the net value of the latest financial statement.

Note 3: The total loan amount of the company shall not exceed 40% of the net value of the company's latest financial statement.

Note 4: Already written off in the consolidated statement.

Cryomax Cooling System Corp.  
Endorsement/Guarantee to Others  
January 1 to December 31, 2022

Table 2

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

No. (Note 1)	Endorser/Gurantor	Relation Endorsed/Guaranteed	Limit Max. (Note 2)	Balance (Note 3)	Actual Utilized (Note 5)	Amount Guaranteed by Assets	Accumulated	Ratio To MC (Note 4)	PC to Sub Sub to PC	Remarks
0	Cryomax	Nanjing Jimao	\$ 699,720	\$ 48,330	\$ 46,065	\$ 46,065	\$ -	3.30	\$ 699,720	Y N Y

Note 1: The description of the numbering column is as follows:

- (1). 0 for the issuer.
- (2). Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The relationship between the endorser and the endorsed has the following 7 types:

- (1). Companies with transaction relations.
- (2). Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3). Companies that directly and indirectly hold more than 50% of the Company's voting shares.
- (4). Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5). Based on the needs of contracting projects, companies of the same industry or co-constructors that are mutually guaranteed according to the contract.
- (6). Companies endorsed and guaranteed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- (7). Inter-industry conducts performance guarantees and joint guarantees for pre-sale housing contracts in accordance with the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee amount for a single enterprise, except that the Company directly and indirectly holds 100% of the voting shares shall not exceed 50% of the Company's latest financial statement net value, and the rest shall not exceed 20% of the company's latest financial statement net worth.

Note 4: The total amount of the Company's endorsement and guarantee liability is limited to 50% of the net worth of the Company's latest financial statement.

Note 5: The amount approved by the board of directors shall be filled in. However, when the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount decided by the chairman.

Cryomax Cooling System Corp.  
 Securities held at the end of the period (excluding investment subsidiaries,  
 affiliated enterprises and joint venture control parts)

December 31, 2022

Table 3

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

Holder	Type and Name of the Securities (Note)	Relation with the securities issuer	Item	Ending			Fair value	Remarks
				Number	Carrying Amount	Shareholding Ratio		
Cryomax Cooling System Corp.	Stock/ T.Y.C. BROTHER INDUSTRIAL CO., LTD.	N/A	Financial assets at fair value through profit or loss - current	500,000	\$ 13,925	0.15	\$ 13,925	

Note: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments".

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Cryomax Cooling System Corp.  
Purchase and sale of goods with related parties amount to NT\$100 million or  
more than 20% of the paid-in capital  
January 1 to December 31, 2022

Table 4

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

Companies of Purchase (Sale)	Counterparty	Relation	Purchase (Sale)	Transaction		Situations and reasons why transaction conditions are different from general transactions (Note 1)		Notes/accounts receivable (payable)		Remarks ( Note 2 )	
				Amount	Ratio to total purchase (sale)	Credit Period	Unit Price	Credit Period	Balance		Ratio
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Subsidiary	Sale	294,490	16.36%	Collected within 60 days to 90 days after monthly settlement	Note 1	Collected within 60 days to 90 days after monthly settlement	10,883	3.89%	Note 3
Cryomax Cooling System Corp.	Nanjing Jimao Auto Parts Co., Ltd.	Subsidiary	Purchase	793,009	57.35%	Payment within 60 days after monthly settlement	Note 2	Payment within 60 days after monthly settlement	47,869	44.62%	Note 3
Cryomax Cooling System Corp.	Dongguan Jiwang Auto Parts Co., Ltd.	Subsidiary	Purchase	196,221	14.19%	Payment within 60 days after monthly settlement	Note 2	Payment within 60 days after monthly settlement	24,592	22.92%	Note 3
Dongguan Jiwang Auto Parts Co., Ltd.	Nanjing Jimao Auto Parts Co., Ltd.	Same final parent company	Sale	139,346	31.41%	Collected within 60 after monthly settlement	Note 1	Collected within 60 after monthly settlement	44,532	19.02%	Note 3
Cryomax Cooling System Corp.	DENSO PRODUCTS AND SERVICES AMERICAS,INC.(DPAM)	Other related party	Sale	269,045	14.95%	Collected within 60 after monthly settlement	Note 1	Collected within 60 after monthly settlement	44,665	15.97%	
Nanjing Jimao Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	Same final parent company	Sale	179,138	26.29%	Collected within 60 after monthly settlement	Note 1	Collected within 60 after monthly settlement	7,763	7.36%	Note 3

Note 1: Priced according to the general sales price.  
Note 2: Priced based on general purchase price.  
Note 3: Already written off in the consolidated statement.

Cryomax Cooling System Corp.  
 Receivables from related parties amount to NT\$100 million or more  
 than 20% of the paid-in capital  
 December 31, 2022

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

Table 5

Company	Counterparty	Relation	Balance of receivables from related parties	Overdue receivables from related parties		Amount recovered after the due date
				Turnover Rate	Amount	
	Provision for loss Dongguan Jiwang Auto Parts Co., Ltd. Note		Nanjing Jimao Auto Parts Co., Ltd.		Same final parent company	Handling 186,292
		-	-	-	-	

Note: This amount includes capital loans, so the turnover rate is not calculated.

Cryomax Cooling System Corp.  
Business relationship between the parent company and its subsidiaries and  
each subsidiary, as well as the status and amount of important transactions  
January 1 to December 31, 2022

Table 6

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

No. (Note 1)	Company	Counterparty	Relations	Details			Ratio to total revenue or assets (Note 3)
				Items	Amount	Transaction terms	
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Sale revenue	\$ 294,490	Priced at general sales price	11.62
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Accounts receivable	10,883	Collected within 60 days to 90 days after monthly settlement	0.35
0	Cryomax Cooling System Corp.	Dongguan Jiwang Auto Parts Co., Ltd.	1	Purchase	196,221	Priced at general sales price	7.74
0	Cryomax Cooling System Corp.	Dongguan Jiwang Auto Parts Co., Ltd.	1	accounts payable	24,592	Payment within 60 days after monthly settlement	0.79
0	Cryomax Cooling System Corp.	Nanjing Jimao Auto Parts Co., Ltd.	1	Sale revenue	14,665	Priced at general sales price	0.58
0	Cryomax Cooling System Corp.	Nanjing Jimao Auto Parts Co., Ltd.	1	Purchase	793,009	Priced at general purchase price	31.28
0	Cryomax Cooling System Corp.	Nanjing Jimao Auto Parts Co., Ltd.	1	accounts payable	47,869	Payment within 60 days after monthly settlement	1.54
0	Cryomax Cooling System Corp.	Nanjing Jimao Auto Parts Co., Ltd.	1	other receivables	51,931	According to the agreement of both parties	1.67
1	Dongguan Jiwang Auto Parts Co., Ltd.	Nanjing Jimao Auto Parts Co., Ltd.	3	Sale revenue	139,346	Priced at general sales price	5.50
1	Dongguan Jiwang Auto Parts Co., Ltd.	Nanjing Jimao Auto Parts Co., Ltd.	3	Accounts receivable	126,639	Collected within 60 days to 180 days after monthly settlement	4.06
1	Dongguan Jiwang Auto Parts Co., Ltd.	Nanjing Jimao Auto Parts Co., Ltd.	3	other receivables	59,653	Collected within 60 days to 180 days after monthly settlement	1.91
1	Dongguan Jiwang Auto Parts Co., Ltd.	Nanjing Jimao Auto Parts Co., Ltd.	3	Sale of property, plant and equipment	58,239	Payment within 180 days after acceptance	2.30
2	Nanjing Jimao Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	3	Sale revenue	179,138	Priced at general sales price	7.07

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the number column respectively. The method of filling in the number is as follows:

- (1). 0 for parent company.
- (2). Subsidiaries are numbered sequentially starting from the Arabic numeral 1 according to the company.

Note 2: There are the following three types of relationship with the trader, and the type of indication is sufficient (if it is the same transaction between a parent company and a subsidiary company or between subsidiaries, there is no need to disclose it repeatedly. For example: for a transaction between a parent company and a subsidiary company, if the parent company has disclosed it, then the subsidiary part does not need to be repeatedly disclosed; for a subsidiary company-to-subsidary transaction, if one subsidiary company has disclosed it, the other subsidiary company does not need to disclose it repeatedly):

- (1). Parent company to subsidiary.
- (2). Subsidiary to parent company.
- (3). Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset and liability item, is calculated by the balance at the end of the period as a percentage of the consolidated total assets; if it is a profit and loss item, the accumulated amount in the period is used to account for the consolidated total. The method of receipt is calculated.

Note 4: If the transaction amount is less than NT\$10 million, it will not be disclosed.

Note 5: Already written off in the consolidated statement.

Cryomax Cooling System Corp.  
Invested company name, location and other relevant information  
(excluding mainland Chinese invested companies)  
January 1 to December 31, 2022

Table 7

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

Investment Companies	Invested Companies		Business item	Original investment		Number held at the end of the period			Current profit and loss of the invested company		
	( Note 1 )	Location Remarks		Ending of current period	End of last year	Number of share	Ratio	Carrying amount			
Cryomax Cooling System Corp.	CRYOMAX INTERNATIONAL LTD.	BVI	General investment	\$ 688,895	\$ 620,926	22,432,284	100.00	\$ 788,537	\$ 27,918	\$ 33,206	Notes 2 and 3
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	USA	Trading of auto parts	307,10	276,800	10,000,000	100.00	430,997	50,606	50,606	Note 3
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	Samoa	General investment	717,426	646,641	23,361,325	100.00	820,667	25,782	31,070	Note 3
Cryomax Cooling System Corp. de	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of auto parts	70	-	45,000	90.00	45 (	31) (	31)	Notes 3 and 4
CRYOMAX U.S.A INC. de	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of auto parts	8	-	5,000	10.00	5 (	3) (	3)	Notes 3 and 4

Note 1: Relevant figures in this table refer to foreign currencies, which are converted into New Taiwan dollars at the exchange rate on the balance sheet date.

Note 2: The investment profit and loss recognized in the current period includes the amount of profit and loss write-off and realization of the reverse transaction of the invested company.

Note 3: Already written off in the consolidated statement.

Note 4: The Company established CRYOMAX MEXICO S.A. de C.V. in Mexico in July 2022 with a registered capital of 50,000 Mexican pesos. The company and Subsidiary CRYOMAX U.S.A.INC. provided capital of 45,000 and 5,000 Mexican pesos on October 18, 2011, respectively, and acquired 90% and 10% of the company's equity, with a comprehensive shareholding ratio of 100%.

Cryomax Cooling System  
Corp.  
Mainland China Investment  
Information - Basic  
Information  
January 1 to December 31,  
2022

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

Table 8

Invested companies in mainland China (Note 2)	Business item	Amount	method	Paid-in capital Remarks	Investment Remittance from Taiwan (Note 1)	Investment		Remittance from Taiwan received	Capital amount of the invested company	Direct and indirect amount	Loss and profit recognized Carrying amount	Shareholding ratio	Investment proceeds (Note 4)
						Amount	Amount						
Dongguan Jiwang and trading of auto parts	Manufacturing	\$ 307,100	2		\$ 276,800	\$ -	\$ -	\$ 307,100	\$ 16,065	100.00	\$ 19,937	\$ 392,329	- Notes 3 and 4
Nanjing Jimao and trading of auto parts	Manufacturing	504,258	2		337,696	-	-	374,662	5,844	100.00	5,844	424,667	- Notes 3 and 4

At the end of the current period, Accumulative amount of investment remitted from Taiwan to the mainland

Note 1: The investment methods are divided into the following three types, which can be simply marked as:

- (1). Directly investment in the mainland China
- (2). Reinvest in the mainland China through the third-party company (CROHAN INTERNATIONAL LTD.)
- (3). Other investment methods

Note 2: The financial report audited by the certified public accountants of the parent company in Taiwan

Note 3: Relevant figures in this table involve foreign currencies, which are converted into New Taiwan dollars at the exchange rate on the balance sheet date.

Note 4: Already written off in the consolidated statement.

Company	Investment Amount	Limit Approved Limit
Cryomax Cooling System Corp.	\$ 681,762	\$ 813,385 \$ 839,664

Note 5: At the end of the current period, the accumulative investment amount remitted from Taiwan to the mainland China was US\$22,200,000, calculated based on the actual remittance exchange rate.

Note 6: The approved amount is USD 26,486,000, converted according to the average exchange rate of buying and selling on December 31, 2022.

Note 7: Calculated according to the limit stipulated by the Ministry of Economic Affairs in the "Principles for the Review of Investment or Technical Cooperation in the Mainland China Area" (60% of the net worth).

Cryomax Cooling  
System Corp.  
Information of major  
shareholders  
December 31, 2022

Table 9

Major shareholders	Shares	
	Shares held	Shareholding ratio
D E N S O	14,147,072	20.61%
Yida Investment Co., Ltd.	4,020,000	5.85%

Cryomax Cooling System Corp.

Cash and Cash Equivalents

December 31, 2022

Table 1		Unit: NT\$1,000
Item	Memo	Amount
Cash on hand		\$ 662
Check deposits and demand deposits		62,832
Foreign currency deposits	USD 5,504,000 Ex. rate: 1: 30.71	169,031
	EUR 221,000 Ex. rate 1: 32.72	7,231
	CNY 2,992,000 Ex. rate 1:4.41	13,181
		<u>\$ 252,937</u>

Cryomax Cooling System Corp.  
Accounts Receivable  
December 31, 2022

Table 2

Unit: NT\$1,000

<u>Name of customer</u>	<u>Memo</u>	<u>Amount</u>	<u>Remarks</u>
Customer A		\$ 54,914	
Customer B		16,263	
Customer C		14,612	
Other		<u>84,713</u>	The balance of each individual customer does not exceed 5% of the balance of our subjects
		170,502	
Less: losses		<u>( 767)</u>	
		<u>\$ 169,735</u>	



Cryomax Cooling System Corp.

Inventory

December 31, 2022

Table 3

Unit: NT\$1,000

Item	Memo	Amount		Remarks
		Costs	Market Price	Method for Determining the Market Price
Raw materials		\$ 82,748	\$ 83,358	Replacement Cost
WIP		30,358	37,114	Net Realizable Value
Semi-finished goods		63,805	75,266	Net Realizable Value
Finished goods		211,781	270,197	Net Realizable Value
Goods		6,622	8,364	Net Realizable Value
Inventory		395,314		
Less: Allowance for inventory prices and sluggish loss		( 11,918)		

Cryomax Cooling System Corp.  
Investment Changes Using the Equity Method  
January 1 to December 31, 2022

Table 4

Unit: NT\$1,000

Name	Opening balance			Increase		Decrease		Ending balance			Market price or net equity value			Collateral
	Shares (1,000 shares)	Sharehol ding ratio	Amount	Shares	Amount	Shares	Amount	Shares (1,000 shares)	Sharehold ing ratio	Amount	Total	Unit Pric e	Evaluat ion basis	
CRYOMAX INTERNATIONAL LTD.	22,432	100%	\$ 742,828	-	\$ 45,709	-	\$ -	22,432	100%	\$ 788,537	\$ 788,537	\$ -	Equity method	N
CRYOMAX U.S.A INC.	10,000	100%	350,433	-	80,564	-	-	10,000	100%	430,997	430,997	-	Equity method	N
CRYOMAX MEXICO S.A. de C.V	-	0%	-	45,000	76	(31)		45,000	90%	45	45	-	Equity method	N
			<u>\$ 1,093,261</u>		\$ <u>126,349</u>		<u>(\$ 31)</u>			<u>\$ 1,219,579</u>				

Cryomax Cooling System Corp.  
Changes in Property, Plant and Equipment  
January 1 to December 31, 2022

Table 5

Unit: NT\$1,000

Please refer to Note 6(6) for information on “property, plant and equipment”.

Cryomax Cooling  
System Corp.  
Short-term Loan  
Statement  
December 31, 2022

Table 6 Unit: NT\$1,000

<u>Creditor</u>	<u>Memo</u>	<u>期Ending Balance</u>	<u>Loan Period</u>	<u>Interest rate interval</u>	<u>Collateral</u>	<u>Remarks</u>
Bank of Taiwan Lukang Branch	Secured loan	\$ 90,000	Jul. 12, 2022-Jul. 12, 2023	1.68%	Land and buildings	
Bank of Taiwan Lukang Branch	Secured loan	10,000	Jul. 12, 2022-Jul. 12, 2023	1.68%	Land and buildings	
Bank of Taiwan Lukang Branch	Secured loan	40,000	Jul. 12, 2022-Jul. 12, 2023	1.68%	Land and buildings	
Bank of Taiwan Lukang Branch	Secured loan	20,000	Jul. 12, 2022-Jul. 12, 2023	1.68%	Land and buildings	
Bank of Taiwan Lukang Branch	Secured loan	40,000	Jul. 12, 2022-Jul. 12, 2023	1.68%	Land and buildings	
Bank SinoPack Yuanlin Branch	Secured loan	250,000	Nov. 25, 2022-Feb. 22, 2023	1.70%	Land and buildings	
Taiwan Business Bank Erlin Branch	Secured loan	55,000	Jun. 9, 2022-Jun. 9, 2022	1.78%	Land and buildings	
Taiwan Business Bank Erlin Branch	Secured loan	30,000	Nov. 25, 2022-May 25, 2022	1.78%	Land and buildings	
Land Bank of Taiwan Fuxing Branch	Secured loan	<u>50,000</u>	Oct. 17, 2022-Oct. 17, 2023	1.66%	Land and buildings	
	Subtotal	<u>\$ 585,000</u>				

Cryomax Cooling System Corp.  
Short-term Loan Statement  
(Cont')  
December 31, 2022

Table 6 Unit: NT\$1,000

<u>Creditor</u>	<u>Memo</u>	<u>Ending Balance</u>	<u>Loan Period</u>	<u>Interest rate</u> <u>interval</u>	<u>Collateral</u>	<u>Remarks</u>
Taiwan Business Bank Erlin Branch	Credit loan	\$ 40,000	Jul. 20, 2022-Jan. 20, 2023	1.78%	N	
Taiwan Business Bank Erlin Branch	Credit loan	10,000	Sep. 13, 2022-Mar. 13, 2023	1.78%	N	
Cathay United Bank Changhua Branch	Credit loan	40,000	Jun. 15, 2022-Jun. 15, 2023	1.69%	N	
Taipei Fubon Commercial Bank Taichung Branch	Credit loan	10,000	Nov. 15, 2022-Feb. 13, 2023	2.04%	N	
Yuanta Commercial Bank Shalu Branch	Credit loan	50,000	Dec. 12, 2022-Jun.10, 2023	1.65%	N	
O-Bank Taichung Branch	Credit loan	46,000	Dec. 15, 2022-Mar. 15, 2023	2.08%	N	
Taishin International Commercial Bank Shihfu Branch	Credit loan	45,000	Dec. 14, 2022-Jan. 14, 2023	1.72%	N	
Taiwan Shin Kong Commercial Bank Dadun Branch	Credit loan	20,000	Nov. 15, 2022-May 15, 2023	1.91%	N	
Taiwan Shin Kong Commercial Bank Dadun Branch	Credit loan	<u>30,000</u>	Nov. 16, 2022-May 16, 2023	1.91%	N	
	Subtotal	<u>291,000</u>				
	Total	<u>\$ 876,000</u>				

Cryomax Cooling System Corp.

Short-term Notes Payable

December 31, 2022

Table 7

Unit: NT\$1,000

<u>Item</u>	guarantee or acceptance <u>Acceptance Institution</u>	<u>Contract period</u>	<u>Interest rate</u> <u>range</u>	<u>Amount</u>			<u>Remarks</u>
				<u>Issue amount</u>	<u>Unamortized</u> <u>discount on short-</u> <u>term bills payable</u>	<u>carrying amount</u>	
commercial paper	China Bills Finance Coporation	2022.12.29- 2023.02.24	2.07%	\$ <u>50,000</u>	\$ <u>148</u>	\$ <u>49,852</u>	-

Cryomax Cooling System Corp.  
Long-term Loan Statement  
December 31, 2022

Table 8

Unit: NT\$1,000

<u>Creditor</u>	<u>Memo</u>	<u>Ending Balance</u>	<u>Loan Period</u>	<u>Interest rate</u> <u>interval</u>	<u>Collateral</u>
Taichung Commercial Bank Erlin Branch	Secured loan	\$ 34,244	Nov. 29, 2019-Nov. 29, 2026	1.76%	Land and buildings
Taichung Commercial Bank Erlin Branch	Secured loan	44,685	102.05.31-117.05.31	1.73%	Land and buildings
Taichung Commercial Bank Erlin Branch	Credit loan	<u>34,500</u>	109.05.27-114.05.27	1.76%	無
		113,429			
Less: Long-term loans due within one year or one business cycle		( <u>22,183</u> )			
		<u>\$ 91,246</u>			

Cryomax Cooling System Corp.  
Operating Revenue Table  
January 1 to December 31, 2022

Table 9

Unit: NT\$1,000

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remarks</u>
Aluminum products	1,509,000 pcs	\$ 1,625,448	
Goods	178,000 pcs	135,294	
Semi-finished goods	2,105,000 pcs	10,924	
Copper products	16,000 pcs	13,760	
Materials	1,155,000 pcs	12,006	
Others		80,459	
		1,877,891	
Less: Sale returns and discounts		( 77,834)	
		\$ 1,800,057	

(The following is omitted intentionally)



Cryomax Cooling System Corp.  
Operation Costs Table  
January 1 to December 31, 2022

Table 10

Unit: NT\$1,000

Items	Amount
Beginning inventory	\$ 1,261
Add: Purchase of the current period	121,149
Transfer of finished goods	415
Less: Ending inventory	( 6,622)
Inventory shortage	( 263)
Inventory requisition fee	( 140)
Commodity scrap	( 192)
Purchase cost	<u>115,608</u>
Beginning raw materials	142,996
Add: Purchase of the current period	591,001
Raw material overage	3,161
Less: Ending raw material	( 82,748)
Inventory requisition fee	1,945
Cost of raw materials sold	( 29,305)
Raw material scrap	( 1,622)
Raw materials consumed in the current period	625,428
Add: Direct labor	67,499
Manufacturing costs	<u>170,392</u>
Manufacturing cost	863,319
Add: Work in progress at the beginning of the period	59,648
Transfer of WIP	1,544,598
Less: Ending WIP	( 30,358)
Finished product costs	2,437,207
Add: Finished goods at the beginning of the period	229,945
Purchased in the current period	670,571
Less: Finished goods at the end of the period	( 275,586)
Finished goods outrage	140
Finished goods requisition fee	2,595
Transfer of WIP	( 1,544,598)
Finished goods transferred to product inventory	( 415)
Finished goods scrap	( 4,800)
Production and sales cost	1,515,059
Purchase costs	115,608
Costs of raw materials sold	29,305
Export tax refund income	( 52,949)
Costs of inventory sold	1,607,023
Inventory outrage	( 3,038)
Revenue from the sale of scraps	( 5,585)
Revenue from the sale of scrap products	( 484)
Inventory depreciation and sluggish recovery benefits	( 4,439)
Inventory scrap loss	6,614
Supplies inventory transferred to cost of goods sold	<u>349</u>
Costs of goods sold	<u>\$ 1,600,440</u>

Cryomax Cooling System Corp.  
Manufacturing Expense Table  
January 1 to December 31, 2022

Table 11 Item	Memo	Amount	Unit: NT\$1,000 Remarks
Processing expenses		\$ 34,241	
Consumption expenses		22,952	
Wage expenses		21,044	
Depreciation expenses		19,746	
Utility expenses		14,157	
Packaging expenses		12,014	
Other expenses		46,238	Each sporadic item does not exceed 5% of the amount of the item

(The following is omitted intentionally)

Cryomax Cooling System Corp.  
Operating Expenses Table  
January 1 to December 31, 2022

Table 12 Unit: NT\$1,000

Item	Promotion Expense	Management Expense	R&D Expense	Remarks	Total
Import and export expense	\$ 23,351	\$ -	\$ -		\$ 23,351
Wage expense	9,508	20,053	4,947		34,508
Freight	6,927	12	108		7,047
Premium	2,745	2,649	641		6,035
Year-end bonus	2,113	5,807	1,201		9,121
Depreciation and depletion	394	8,164	321		8,879
Directors' remuneration	-	7,015	-		7,015
Service Revenue	-	4,133	-		4,133
Expense for entrusted research program	-	-	5,334		5,334
Others	7,466	18,528	2,505	Each sporadic item does not exceed 5% of the amount of the item	28,499
	\$ 52,504	\$ 66,361	\$ 15,057		\$ 133,922

Cryomax Cooling System Corp.  
Other Income and Expenses and Losses, Net  
January 1 to December 31, 2022

Table 13

Unit: NT\$1,000

Please refer to Note 6 (19) for information on "Other income and net expenses and losses".

Cryomax Cooling System Corp.  
Financial Cost Table  
January 1 to December 31, 2022

Table 14

Unit: NT\$1,000

Please refer to Note 6 (20) for information about “financial costs”.

Cryomax Cooling System Corp.

Functional summary statement of employee benefits, depreciation, depletion and amortization expenses incurred in the current period Financial assets  
measured at fair value through profit or loss

January 1 to December 31, 2022

Table 15

Unit: NT\$1,000

Please refer to Note 6 (21) for information about “Functional summary statement of employee benefits, depreciation, depletion and amortization expenses incurred in the current period Financial assets measured at fair value through profit or loss”.