

**Jiin Yeeh Ding Enterprise Corp. and Subsidiaries****Consolidated Financial Statements****With Independent Auditors' Report  
For the Years Ended December 31, 2022 and 2021**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the combined financial statements of Jiin Yeeh Ding Enterprise Corp. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Jiin Yeeh Ding Enterprise Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Jiin Yeeh Ding Enterprise Corp.  
Chairman: CHUANG, CHING-CHI  
Date: March 6, 2023

## Independent Auditors' Report

To the Board of Directors of Jiin Yeeh Ding Enterprise Corp.:

### Opinion

We have audited the consolidated financial statements of Jiin Yeeh Ding Enterprise Corp. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ) or the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the Statements of Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Jiin Yeeh Ding Enterprise Corp. and its subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( "the Code" ), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

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

#### 1. Inventory valuation

Refer to Notes 4(h) "Inventories" , Note 5(a) "Valuation of inventories" and Note 6(e) "Inventories" to the consolidated financial statements.

Description of key audit matter:

The Group is operating professional electronic waste recycling and treatment business. Inventories are measured at the lower of cost and net realizable value. The main content of inventories are precious metals (copper, gold, silver, palladium, etc.), which have risk of impairment due to market price fluctuation. Therefore, inventory valuation is one of the important issues in performing audit of the consolidated financial statement of the Group.

How the matter was addressed in our audit:

Our principal audit procedures to the key audit matter mentioned above included: understanding the Group's policies regarding inventory impairment loss recognition; selecting proper samples in assessing whether the established accounting policies had been implemented accordingly; check the calculation of allowance for inventory impairment prepared by management, select items to check the data resource of its net realizable value and verify supporting documents, recalculate the amount of allowance for inventory impairment to assess whether it is reasonable.

## 2. Revenue Recognition

Refer to Note 4(o) "Revenue" and Note 6(u) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

The Group is operating professional electronic waste recycling and treatment business. Operating revenue is one of the most significant accounts to the consolidated financial statements. It matters to consolidated financial statements that whether revenue is recognized at proper timing and whether it is complete. Therefore, revenue recognition is one of the important issues in performing audit of the consolidated financial statement of the Group.

How the matter was addressed in our audit:

Our principal audit procedures to the key audit matter mentioned above included: understanding the Group's policies regarding revenue recognition and matching them to the sales terms to see if the applicable policies are reasonable; understanding and testing internal control of sales and collection cycle for effectiveness of its design and implementation; selecting sales transactions to check its supporting documents such as customer orders and shipment documentations; selecting sales transactions before and after cutoff date to check supporting documents of shipment and sales terms to verify if they are recorded in proper period.

### Other Matter

Jiin Yeeh Ding Enterprise Corp. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Sheng-Ho and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)  
March 17, 2023

#### **Notes to Readers**

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**Jiin Yeeh Ding Enterprise Corp. and subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021		Liabilities and Equity	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Current assets:</b>					<b>Current liabilities:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 738,386	23	916,278	28	2100 Short-term borrowings (notes 6(l),7 and 8)	\$ 85,906	3	92,652	3
1110 Current financial assets at fair value through profit or loss (note 6(b))	12,150	-	17,871	-	2120 Current financial liabilities at fair value through profit or loss (note 6(b))	3,132	-	3,015	-
1170 Trade receivables, net (note 6(c))	153,351	5	316,983	10	2170 Notes payables and trade Payables	138,346	4	145,008	4
1200 Other accounts receivables (note 6(d))	13,804	-	11,708	-	2220 Other payables (note 7)	106,708	3	106,884	3
130X Inventories (note 6(e))	857,199	27	666,543	20	2230 Current tax liabilities (note 6(q))	103,528	3	100,561	3
1460 Non-current assets classified as held for sale, net (notes 6(f))	210,567	7	354,682	11	2260 Liabilities related to non-current assets classified as held for sale (notes 6(f))	19,671	3	92,017	3
1476 Other current financial assets (notes 6(j))	128,744	4	146,359	4	2280 Current lease liabilities (note 6(o) and 7)	16,272	1	14,873	-
1479 Other current assets, others (note 6(k))	84,541	3	91,280	3	2322 Long-term loans due within one year or one operating cycle (note 6(m) and 8)	3,973	-	-	-
	<u>2,198,742</u>	<u>69</u>	<u>2,521,704</u>	<u>76</u>	2399 Other current liabilities	1,114	-	6,115	1
<b>Non-current assets:</b>					<b>Non-Current liabilities:</b>	<u>478,650</u>	<u>15</u>	<u>561,125</u>	<u>17</u>
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	221,886	7	134,269	4	2540 Long-term borrowings (note 6(m) and 8)	16,611	1	-	-
1550 Investments accounted for using equity method (note 6(g))	15,123	-	9,004	-	2580 Non-current leased liabilities (note 6(o) and 7)	28,852	1	33,712	1
1600 Property, plant and equipment (notes 6(h), 7 and 8)	454,411	15	389,692	12	2600 Other non-current liabilities (notes 6(p)(q))	37,164	1	30,250	1
1755 Right-of-use assets (note 6(i))	194,321	6	188,603	6	<b>Non-Current liabilities:</b>	<u>82,627</u>	<u>3</u>	<u>63,962</u>	<u>2</u>
1780 Intangible assets	6,217	-	6,298	-	<b>Total liabilities</b>	<u>561,277</u>	<u>18</u>	<u>625,087</u>	<u>19</u>
1980 Other non-current financial assets (notes 6(j) and 8)	49,350	2	51,045	1	<b>Equity attributable to owners of parent (notes 6(s)(t)):</b>				
1990 Other non-current assets (note 6(k))	44,514	1	30,011	1	3100 Ordinary share	959,421	30	1,199,227	36
	<u>985,822</u>	<u>31</u>	<u>808,922</u>	<u>24</u>	3200 Capital surplus	811,244	25	811,254	24
					3300 Retained earnings	834,491	26	736,007	22
					3400 Other equity interest	(6,664)	-	(70,080)	(2)
					<b>Total equity attributable to owners of parent:</b>	<u>2,598,492</u>	<u>81</u>	<u>2,676,408</u>	<u>80</u>
					36XX Non-controlling interests	24,795	1	29,131	1
					<b>Total equity</b>	<u>2,623,287</u>	<u>82</u>	<u>2,705,539</u>	<u>81</u>
<b>Total assets</b>	<b>\$ 3,184,564</b>	<b>100</b>	<b>3,330,626</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 3,184,564</b>	<b>100</b>	<b>3,330,626</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2022		2021	
	Amount	%	Amount	%
4000 <b>Operating revenues (note 6(u))</b>	\$ 3,625,350	100	3,409,843	100
5000 <b>Operating costs (notes 6(e) and 12)</b>	3,120,756	86	2,655,109	78
5900 <b>Gross profit from operations</b>	504,594	14	754,734	22
6000 <b>Operating expenses (notes 6(c)(h)(i)(o)(p)(v) and 12)):</b>				
6100 Selling expenses	39,569	1	42,257	1
6200 Administrative expenses	154,556	4	157,687	5
6300 Research and development expenses	2,263	-	2,183	-
6450 (Impairment gain and reversal of impairment loss) and impairment loss determined in accordance with IFRS 9	(136)	-	(155)	-
<b>Total operating expenses</b>	196,252	5	201,972	6
6900 <b>Net operating income</b>	308,342	9	552,762	16
7000 <b>Non-operating income and expenses:</b>				
7010 Other income	18,201	1	19,045	1
7020 Other gains and losses, net (notes 6(b)(w))	89,372	2	(24,949)	(1)
7050 Finance costs (notes 6(l)(m)(o) and 7)	(1,822)	-	(1,493)	-
7060 Share of profit of associates accounted for using equity method (note 6(g))	(1,881)	-	(2,034)	-
7100 Interest income	5,745	-	2,054	-
<b>Total non-operating income and expenses</b>	109,615	3	(7,377)	-
<b>Profit before income tax</b>	417,957	12	545,385	16
7950 <b>Less: Income tax expenses (note 6(q))</b>	78,928	2	95,412	3
Profit from continuing operations	339,029	10	449,973	13
<b>(Loss) profit from discontinued operations (note 12(b)):</b>				
8101 (Loss) profit from discontinued operations, net of tax	(27,496)	(1)	(46,995)	(1)
<b>Profit</b>	311,533	9	402,978	12
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that will not be reclassified subsequently to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	2,430	-	323	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	-	-	174	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	2,430	-	497	-
8360 <b>Items that will not be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation	59,065	2	(17,069)	(1)
8399 Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	59,065	2	(17,069)	(1)
8300 <b>Other comprehensive income</b>	61,495	2	(16,572)	(1)
8500 <b>Total comprehensive income</b>	\$ 373,028	11	386,406	11
<b>Profit (loss), attributable to:</b>				
8610 Owners of parent	\$ 316,313	9	411,148	12
8620 Non-controlling interests	(4,780)	-	(8,170)	-
	\$ 311,533	9	402,978	12
<b>Comprehensive income attributable to:</b>				
8710 Owners of parent	\$ 377,364	11	394,864	11
8720 Non-controlling interests	(4,336)	-	(8,458)	-
	\$ 373,028	11	386,406	11
<b>Basic earnings per share (NT dollars) (note 6(t))</b>				
9710 Basic earnings (losses) per share from continuing operations	\$	3.07		3.87
9720 Basic earnings (losses) per share from discontinued operations		(0.25)		(0.40)
<b>Total basic earnings per share</b>	\$	2.82		3.47
<b>Diluted earnings (losses) per share (NT dollars) (note 6(t))</b>				
9810 Diluted earnings (losses) per share from continuing operations	\$	3.04		3.82
9820 Diluted earnings (losses) per share from discontinued operations		(0.24)		(0.39)
<b>Total diluted earnings per share</b>	\$	2.80		3.43

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Jiin Yeeh Ding Enterprise Corp. and subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													
	Retained earnings							Other equity interest						
	Ordinary shares	Certificate of entitlement to new shares from convertible bond	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2021</b>	\$ 931,350	230,479	1,161,829	780,567	129,467	36,492	350,281	516,240	(48,504)	(4,795)	(53,299)	2,405,337	37,589	2,442,926
Profit	-	-	-	-	-	-	411,148	411,148	-	-	-	411,148	(8,170)	402,978
Other comprehensive income	-	-	-	-	-	-	497	497	(16,781)	-	(16,781)	(16,284)	(288)	(16,572)
Total comprehensive income	-	-	-	-	-	-	411,645	411,645	(16,781)	-	(16,781)	394,864	(8,458)	386,406
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	-	24,311	-	(24,311)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	16,807	(16,807)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(191,878)	(191,878)	-	-	-	(191,878)	-	(191,878)
	-	-	-	-	24,311	16,807	(232,996)	(191,878)	-	-	-	(191,878)	-	(191,878)
Conversion of convertible bonds	267,377	(230,479)	36,898	30,777	-	-	-	-	-	-	-	67,675	-	67,675
Share-based payments	500	-	500	(90)	-	-	-	-	-	-	-	410	-	410
Balance at December 31, 2021	1,199,227	-	1,199,227	811,254	153,778	53,299	528,930	736,007	(65,285)	(4,795)	(70,080)	2,676,408	29,131	2,705,539
Profit (loss)	-	-	-	-	-	-	316,313	316,313	-	-	-	316,313	(4,780)	311,533
Other comprehensive income	-	-	-	-	-	-	2,430	2,430	58,621	-	58,621	61,051	444	61,495
Total comprehensive income	-	-	-	-	-	-	318,743	318,743	58,621	-	58,621	377,364	(4,336)	373,028
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	-	41,164	-	(41,164)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	16,782	(16,782)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(215,870)	(215,870)	-	-	-	(215,870)	-	(215,870)
	-	-	-	-	41,164	16,782	(273,816)	(215,870)	-	-	-	(215,870)	-	(215,870)
Cash capital decrease	(239,856)	-	(239,856)	-	-	-	-	-	-	-	-	(239,856)	-	(239,856)
Share-based payments	50	-	50	(10)	-	-	-	-	-	-	-	40	-	40
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	(4,389)	(4,389)	-	4,795	4,795	406	-	406
<b>Balance at December 31, 2022</b>	<b>\$ 959,421</b>	<b>-</b>	<b>959,421</b>	<b>811,244</b>	<b>194,942</b>	<b>70,081</b>	<b>569,468</b>	<b>834,491</b>	<b>(6,664)</b>	<b>-</b>	<b>(6,664)</b>	<b>2,598,492</b>	<b>24,795</b>	<b>2,623,287</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit from continuing operations before tax</b>	\$ 417,957	545,385
<b>Net loss from discontinued operations before tax</b>	(27,496)	(46,995)
<b>Profit before tax</b>	390,461	498,390
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	64,656	61,914
Amortization expense	275	209
Gains from reversal of expected credit loss	(136)	(160)
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(31,331)	10,569
Interest expense	3,352	3,540
Interest	(5,816)	(2,137)
Dividend income	(6,205)	(4,004)
Share of loss of associates accounted for using equity method	1,881	2,034
Loss (profit) from disposal of property, plant and equipment	(8,882)	23
Unrealized foreign exchange profit	(9,415)	(9,664)
<b>Total adjustments to reconcile profit</b>	8,379	62,324
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(3,621)	-
Notes receivables	80	(29)
Trade receivables	166,342	30,045
Other receivables	(1,148)	(26,518)
Inventories	(137,978)	(54,834)
Prepayments	80,403	32,465
Other current assets	(87,351)	(33,669)
<b>Total changes in operating assets</b>	16,727	(52,540)
<b>Changes in operating liabilities:</b>		
Financial liabilities held for trading	15,124	(43,963)
Notes payables	1,228	-
Trade payables	(19,222)	621
Other payables	(24,240)	20,959
Other current liabilities	(42,506)	39,726
Defined benefit obligations	(739)	(550)
<b>Total changes in operating liabilities</b>	(70,355)	16,793
<b>Total changes in operating assets and liabilities</b>	(53,628)	(35,747)
<b>Total adjustments</b>	(45,249)	26,577

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
Cash inflow generated from operations	345,212	524,967
Interest received	6,703	2,137
Interest paid	(3,404)	(3,818)
Income taxes paid	(16,052)	(8,906)
<b>Net cash flows from operating activities</b>	<b>332,459</b>	<b>514,380</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(58,192)	(38,884)
Investments accounted for using equity method	(8,000)	-
Acquisition of property, plant and equipment	(83,190)	(74,324)
Acquisition of intangible assets	(190)	(5,992)
Disposal of right-of-use assets	18,778	-
Increase in other financial assets	40,169	122,270
Increase in other non-current assets	(2,935)	-
Increase in prepayments for business facilities	(15,999)	(2,763)
Dividends received	6,205	4,004
Other investing activities	405	-
<b>Net cash flows from (used in) investing activities</b>	<b>(102,949)</b>	<b>4,311</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short term loans	(6,818)	(81,226)
Proceeds from long-term debt	20,584	-
Increase in guarantee deposits received	3,486	27,332
Payment of lease liabilities	(16,002)	(10,476)
Cash dividends paid	(215,870)	(191,878)
Cash capital decrease	(239,856)	-
Proceeds from exercise of employee stock options	40	410
<b>Net cash flows used in financing activities</b>	<b>(454,436)</b>	<b>(255,838)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>37,899</b>	<b>(10,131)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(187,027)</b>	<b>252,722</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>929,914</b>	<b>677,192</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 742,887</b>	<b>929,914</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents reported in the statement of financial position	\$ 738,386	916,278
Reclassification to (non-current) assets (or disposal groups) held for sale	4,501	13,636
<b>Cash and cash equivalents at end of period</b>	<b>\$ 742,887</b>	<b>929,914</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2022 and 2021**

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

**(1) Company history**

Jiin Yeeh Ding Enterprise Corp. (the “Company” ) was incorporated in April 10, 1997 as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company was registered in No. 599, Sec. 6, Xibin Rd., Hsinchu City 300, Taiwan (R.O.C.). The Company’ s common shares were listed on the Taipei Exchange (TPEX) since May 21, 2008..

The consolidated financial statements of the Company and subsidiaries (together referred to as the “Group” ). The major business activities of the Group are metal recycling and processing, scrap metal trading, and electronic waste removal and processing.

**(2) Approval date and procedures of the consolidated financial statements:**

These consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2023.

**(3) New standards, amendments and interpretations adopted:**

(a) The impact of the International Financial Reporting Standards ( “IFRSs” ) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment — Proceedings before Intended Use”
- Amendments to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Presentation of Financial Statements”
- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	According to the current regulations in IAS 1, companies must classify liabilities for which the settlement can be deferred unconditionally for at least twelve months after the reporting period as current. The amendment deleted the provision on the unconditional right to defer settlement. It requires such a right to exist as of the end of the reporting period and it must be substantive.  The amendment clarified how companies should classify liabilities that are settled through the issuance of its own equity instruments (e.g., convertible bonds).	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the amendments to IAS 1 in 2020, the new amendment clarified that only contractual terms with compliance on or before the reporting date have an effect on the classification of liabilities as current or non-current.  The contractual provisions which companies must comply with after the reporting date (i.e. future provisions) do not affect the classification of the liabilities on that date. However, when non-current liabilities are constrained by future contractual provisions, companies are required to disclose information to help users of the financial statements understand the risks that such liabilities must be repaid within twelve months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

#### (4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations” ) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

##### (b) Basis of preparation

###### (i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Cash-settled share-based payment liabilities are measured at fair value;
- 4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(p).

###### (ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

##### (c) Basis of consolidation

###### (i) Principles of preparation of the consolidated financial statements

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Description
			December 31, 2022	December 31, 2021	
The Company	GRAND TONE ENTERPRISE CO., LIMITED	Waste Disposal	100%	100%	-
"	GOLD FINANCE LIMITED	Investment	100%	100%	-
"	HUNG WEI DEVELOPMENT CO., LIMITED	Real estate development	100%	100%	-
GOLD FINANCE LIMITED	JIIN YEEH DING (H.K.) ENTERPRISES LIMITED	Waste Disposal	100%	100%	-
"	SHING JUNG RECYCLING TECHNOLOGY CO., LIMITED	Investment	100%	100%	-
"	YUAN RUI RECYCLING TECHNOLOGY CO., LIMITED	Trade	100%	100%	-
SHING JUNG RECYCLING TECHNOLOGY CO., LIMITED	LIANYUNGANG RONGDING METAL CO., LIMITED	Production and sales of copper, gold, silver, palladium	82.62%	82.62%	Note

Note: Classified as non-current assets held for sale and discontinued operation since August 6, 2021.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL.

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

1) Financial assets measured at amortized cost

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### 2) Fair value through profit or loss (FVTPL)

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### 3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date ; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

(Continued)

## **JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings' .

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 1 year past due;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization ;  
or
- The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

#### (ii) Financial liabilities and equity instruments

##### 1) Classification of debt or equity

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

##### 2) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

##### 3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### 5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### 6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### (iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

#### (h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(i) Non-current assets held for sale & Discontinued operations

(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed, or is classified as held for sale, and

- 1) Represents a separate major line of business or geographic area of operations;
- 2) Is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- 3) Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	6~50 years
2) Machinery and equipment	2~11 years
3) Transportation equipment	4~10 years
4) Other equipment	2~20 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

## (1) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## (i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) Fixed payments, including in substance fixed payments;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) Amounts expected to be payable under a residual value guarantee; and
- 4) Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) There is a change in future lease payments arising from the change in an index or rate; or
- 2) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) There is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) There is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) There is any lease modifications.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software 5 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements**

## (o) Revenue

## (i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

## 1) Sale of goods—trading of electronic wastes which including precious metals

The Group provides the electronic wastes disposal, metal recycling treatment services and scrap metal trading. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

## 2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

## (ii) Contract costs

## 1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

## 2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- a) The costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- b) The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- c) The costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****(iii) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**(iv) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(q) Share-based payment**

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which The Group' s confirms the number of shares subscribed by its employees

**(r) Income taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) The same taxable entity; or
  - 2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding.

Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

Inventories are stated at the lower of cost or net realizable value. The Group estimates the net realizable value of inventory for normal waste, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on the assumptions of future prices. Please refer to note 6(e) for further description of the valuation of inventories.

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data.

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash	\$ 647	556
Demand deposits	482,444	418,710
Time deposits	<u>255,295</u>	<u>497,012</u>
Cash and cash equivalents in the consolidated statement of cash flows	<b><u>\$ 738,386</u></b>	<b><u>916,278</u></b>

Please refer to note 6(x) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

(i) The Details are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current financial asset mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ <u>12,150</u>	<u>17,871</u>
Non-current financial asset mandatorily measured at fair value through profit or loss:		
Non-hedging derivative financial instruments		
Structured products linked to interest rates	58,100	-
Non-derivative financial assets		
Unlisted stocks	<u>163,786</u>	<u>134,269</u>
	<u>221,886</u>	<u>134,269</u>
Total	<b><u>\$ 234,036</u></b>	<b><u>152,140</u></b>
Held-for-trading current financial liabilities:		
Derivative financial instruments not designated as hedging instruments		
Copper futures	<u>\$ 3,132</u>	<u>3,015</u>

Please refer to note 6(x) for profit or loss from fair value remeasurement.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(ii) Derivative financial instruments

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

(1) Future contracts

<b>December 31, 2022</b>				
	<b>The name of the futures company</b>	<b>Quantity</b>	<b>Contract amount</b>	<b>Maturity dates</b>
Sell copper futures	Yuanta Futures Co., Ltd.	15 ports (375 kilolbs)	USD 1,361	2023.05.31
Sell copper futures	Fubon Futures Co., Ltd.	7 ports (175 kilolbs)	USD 635	2023.05.31
<b>December 31, 2021</b>				
	<b>The name of the futures company</b>	<b>Quantity</b>	<b>Contract amount</b>	<b>Maturity dates</b>
Sell copper futures	Yuanta Futures Co., Ltd.	15 ports (375 kilolbs)	USD 1,596	2022.05.31
Sell copper futures	Fubon Futures Co., Ltd.	7 ports (175 kilolbs)	USD 745	2022.05.31

(2) Hybrid contracts

<b>December 31, 2022</b>				
	<b>Nominal amount</b>	<b>Maturity date</b>	<b>Product return on investment</b>	<b>Linked underlying</b>
Structured products linked to interest rates	USD 2,000	March 10, 2024	First year: 2% Second year 0% to 4%	USD fixed-period interest rate swap

As of December 31, 2021, the Group did not have the aforementioned derivative financial instruments.

As of December 31, 2022 and 2021, the Group did not provide any financial asset accounted for using fair value through profit or loss as collaterals for its loans.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(c) Notes and Trade receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable from operating activities	\$ 23	103
Trade receivable from operating activities	153,328	317,016
Less: Loss allowance	<u>-</u>	<u>(136)</u>
	<u><b>\$ 153,351</b></u>	<u><b>316,983</b></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

	<u>December 31, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$153,080	0%	-
1 to 60 days past due	233	0%	-
60 to 180 days past due	38	0%	-
180 to 240 days past due	-	0%	-
240 to 365 days past due	-	0%~0.33%	-
More than 365 days past due	<u>-</u>	100%	<u>-</u>
	<u><b>\$ 153,351</b></u>		<u><b>-</b></u>

  

	<u>December 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 303,291	0.01%	31
1 to 60 days past due	7,654	0.05%	4
60 to 180 days past due	6,174	1.64%	101
180 to 240 days past due	-	4.00%	-
240 to 365 days past due	-	12.00%	-
More than 365 days past due	<u>-</u>	100%	<u>-</u>
	<u><b>\$ 317,119</b></u>		<u><b>136</b></u>

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## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The movement in the allowance for notes and trade receivables were as follows:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 136	2,540
Impairment losses recognized	241	423
Impairment losses reversed	(377)	(583)
Foreign exchange gains/(losses)	-	(22)
Classified as non-current assets held for sale	-	(2,222)
Balance at December 31	<u>\$ -</u>	<u>136</u>

Based on historical payment practices and considering that the credit quality of the customers to which the trade receivable are subject has not changed materially, the Group does not consider that there is any material doubt about the recoverability of the impairment losses on trade receivables.

Trade receivable that are overdue on the balance sheet but have not yet been recognized by the Group as a loss allowance, in the opinion of the Group's management, can be recovered due to the fact that there has been no material change in their credit quality and due to an aging analysis, historical experience, and the degree of customer risk.

As of December 31, 2022 and 2021, the Group did not provide any above financial asset as collaterals for its loans.

(d) Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tax refund receivables	\$ 12,897	11,708
Others	1,798	803
Less: Loss allowance	(891)	(803)
	<u>\$ 13,804</u>	<u>11,708</u>

(e) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Finished goods	\$ 553,342	438,629
Work in progress	240,176	154,387
Raw materials	63,544	58,541
Merchandise inventories	137	14,986
Total	<u>\$ 857,199</u>	<u>666,543</u>

Due to the offset of inventory to NPV in 2022, the Group recognized \$883 thousand in inventory impairment and recognized it as the cost of sales.

Due to inventory sold and price raises, the Group recognized \$4,696 thousand gain from reversal of inventory impairment for the years ended December 31, 2021.

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

As of December 31, 2022 and 2021, the Group did not provide any inventory as collaterals for its loans.

(f) Non-current assets held for sale

As of December 31, 2022 and December 31, 2021, the Group's non-current assets held of sale and the liabilities directly associated with the non-current assets held for sale were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	\$ 4,501	13,636
Trade and other receivables	6,362	6,433
Inventories	10,707	63,385
Property, plant and equipment	146,963	160,385
Right-of-use assets and intangible assets	6,421	16,256
Other assets and other financial assets	<u>35,613</u>	<u>94,587</u>
Non-current assets classified as held for sale	<u>210,567</u>	<u>354,682</u>
Trade and other payable (note)	(3,963)	(39,421)
Other liabilities	<u>(15,708)</u>	<u>(52,596)</u>
Liabilities related to non-current assets classified as held for sale	<u>(19,671)</u>	<u>(92,017)</u>
Net value	<b><u>\$ 190,896</u></b>	<b><u>262,665</u></b>

Note: As of December 31, 2022 and 2021, payables of \$48,270 thousand and \$95,098 thousand have been eliminated in the consolidated financial statements.

(g) Investments accounted for using equity method

(i) Associates

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Carrying amount of individually insignificant associates' equity	<b><u>\$ 15,123</u></b>	<b><u>9,004</u></b>
	<b>2022</b>	<b>2021</b>
Attributable to the Group:		
Loss from continuing operations	\$ (1,881)	(2,034)
Other comprehensive income	-	-
Comprehensive income	<b><u>\$ (1,881)</u></b>	<b><u>(2,034)</u></b>

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (ii) Collateral

As of December 31, 2022 and 2021, the Group did not provide any investment accounted for using equity method as collaterals for its loans.

#### (h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021, were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other Facilities</u>	<u>Construction in progress and testing equip</u>	<u>Total</u>
Cost or deemed cost:							
Balance on January 1, 2022	\$ 185,421	223,026	38,020	24,390	34,000	2,226	507,083
Additions	78	1,602	8,119	19,990	2,254	51,097	83,140
Disposal and retirement	-	(1,167)	(8,102)	(95)	(15,956)	-	(25,320)
Reclassification	-	-	1,307	1,387	-	-	2,694
Effect of movements in							
exchange rates	-	2,313	312	-	285	-	2,910
Balance on December 31, 2022	<u>\$ 185,499</u>	<u>225,774</u>	<u>39,656</u>	<u>45,672</u>	<u>20,583</u>	<u>53,323</u>	<u>570,507</u>
Balance on January 1, 2021	\$ 131,941	495,315	68,238	24,007	128,566	1,497	849,564
Additions	53,480	-	4,283	8,229	3,564	4,768	74,324
Disposal and retirement	-	(976)	(3,459)	(1,108)	(5,041)	-	(10,584)
Reclassification to non-current							
assets held for sale	-	(268,369)	(30,842)	(8,800)	(94,801)	(1,485)	(404,297)
Reclassification	-	-	156	2,154	2,542	(2,542)	2,310
Effect of movements in							
exchange rates	-	(2,944)	(356)	(92)	(830)	(12)	(4,234)
Balance on December 31, 2021	<u>\$ 185,421</u>	<u>223,026</u>	<u>38,020</u>	<u>24,390</u>	<u>34,000</u>	<u>2,226</u>	<u>507,083</u>
Depreciation and impairments							
loss:							
Balance on January 1, 2022	\$ -	62,458	22,761	8,335	23,837	-	117,391
Depreciation	-	6,253	6,151	6,946	3,785	-	23,135
Disposal and retirement	-	(1,167)	(8,102)	(95)	(15,956)	-	(25,320)
Effect of movements in							
exchange rates	-	692	138	-	(60)	-	890
Balance on December 31, 2022	<u>\$ -</u>	<u>68,236</u>	<u>20,948</u>	<u>8,335</u>	<u>11,726</u>	<u>-</u>	<u>116,096</u>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>LAND</b>	<b>Buildings and construction</b>	<b>Machinery and equipment</b>	<b>Transportation equipment</b>	<b>Office equipment</b>	<b>Construction in progress and testing equip</b>	<b>Total</b>
Balance on January 1, 2021	\$ -	173,382	44,341	11,913	99,313	-	328,949
Depreciation	-	18,600	8,901	5,478	12,114	-	45,093
Reclassification to non-current assets held for sale	-	(127,414)	(26,807)	(7,870)	(81,919)	-	(244,010)
Disposal and retirement	-	(976)	(3,444)	(1,108)	(5,034)	-	(10,562)
Effect of movements in exchange rates	-	(1,134)	(230)	(78)	(637)	-	(2,079)
Balance on December 31, 2021	<u>\$ -</u>	<u>62,458</u>	<u>22,761</u>	<u>8,335</u>	<u>23,837</u>	<u>-</u>	<u>117,391</u>
Carrying amounts:							
Balance on December 31, 2022	<u>\$ 185,499</u>	<u>157,538</u>	<u>18,708</u>	<u>30,486</u>	<u>8,857</u>	<u>53,323</u>	<u>454,411</u>
Balance on January 1, 2021	<u>\$ 131,941</u>	<u>321,933</u>	<u>23,897</u>	<u>12,094</u>	<u>29,253</u>	<u>1,497</u>	<u>520,615</u>
Balance on December 31, 2021	<u>\$ 185,421</u>	<u>160,568</u>	<u>15,259</u>	<u>16,055</u>	<u>10,163</u>	<u>2,226</u>	<u>389,692</u>

(i) Material additions

The Group acquired a 4,381 square meters land from the General Manager of the Company, Zhuang, Rui-Yuan, with consideration amounted \$33,899 thousand due to operating reasons. The consideration was decided according to the valuation result of external valuation experts. As of December 31, 2021, relevant statutory registration procedures have been completed and related amounts have been paid. Above-mentioned property transaction is a related-party transaction, please refer to note 7(b) for detail.

(ii) Collateral

As of December 31, 2022, the property, plant and equipment of the Group have been provided as collateral for convertible bonds. Please refer to note 8 for details.

As of December 31, 2021, the Group did not provide any property, plant and equipment as collaterals for its loans.

(iii) Land held by nominee registration

Due to operating reasons, the Company holds agricultural and animal husbandry land with a total value of \$2,457 thousand, which cannot be registered under the Company's name and was thus temporarily registered under the name of a third party. The third party set the land as collateral to the Company at a total price of \$2,449 thousand and signed a nominee registration contract with the Company to secure the asset.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(i) Right-of-use assets

The Group leases land, buildings, machinery equipment and transportation equipment. Information about leases for the Group was presented below:

	Land	Buildings	Machinery and equipment	Office equipment	Total
Cost:					
Balance at January 1, 2022	\$ 170,169	43,155	10,474	-	223,798
Additions	395	89,48	-	-	9,343
Disposal/Write-off	(78)	-	(4,007)	-	(4,085)
Effect of movements in exchange rates	17,183	5,041	-	-	22,224
Balance at December 31, 2022	<u>\$ 187,669</u>	<u>57,144</u>	<u>6,467</u>	<u>-</u>	<u>251,280</u>
Balance at January 1, 2021	\$ 192,659	24,818	9,338	66	226,881
Additions	246	19,467	2,327	-	22,040
Disposal/Write-off	-	-	(1,191)	(66)	(1,257)
Reclassification to non-current assets held for sale	(17,128)	-	-	-	(17,128)
Effect of movements in exchange rates	(5,608)	(1,130)	-	-	(6,738)
Balance at December 31, 2021	<u>\$ 170,169</u>	<u>43,155</u>	<u>9,338</u>	<u>-</u>	<u>223,798</u>
Depreciation:					
Balance at January 1, 2022	\$ 19,115	10,790	5,290	-	35,195
Depreciation	6,859	12,446	2,914	-	22,219
Disposal/Write-off	(78)	-	(4,007)	-	(4,085)
Effect of movements in exchange rates	2,014	1,616	-	-	3,630
Balance at December 31, 2022	<u>\$ 27,910</u>	<u>24,852</u>	<u>4,197</u>	<u>-</u>	<u>56,959</u>
Balance at January 1, 2021	\$ 14,074	4,549	3,193	63	21,879
Depreciation	7,039	6,491	3,288	3	16,821
Disposal/Write-off	-	-	(1,191)	(66)	(1,257)
Reclassification to non-current assets held for sale	(880)	-	-	-	(880)
Other	(640)	-	-	-	(640)
Effect of movements in exchange rates	(478)	(250)	-	-	(728)
Balance at December 31, 2021	<u>\$ 19,115</u>	<u>10,790</u>	<u>5,290</u>	<u>-</u>	<u>35,195</u>
Carrying amount:					
Balance at January 1, 2022	<u>\$ 151,054</u>	<u>32,365</u>	<u>5,184</u>	<u>-</u>	<u>188,603</u>
Balance at December 31, 2022	<u>\$ 159,759</u>	<u>32,292</u>	<u>2,270</u>	<u>-</u>	<u>194,321</u>
Balance at January 1, 2021	<u>\$ 178,585</u>	<u>20,269</u>	<u>6,145</u>	<u>3</u>	<u>205,002</u>
Balance at December 31, 2021	<u>\$ 151,054</u>	<u>32,365</u>	<u>5,184</u>	<u>-</u>	<u>188,603</u>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(j) Other financial assets

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Restricted deposits	\$ 59,005	89,464
Guarantee deposits paid	79,613	76,905
Futures deposits	39,310	26,535
Time deposits with original maturity more than 3 months	<u>166</u>	<u>4,500</u>
	<b><u>\$ 178,094</u></b>	<b><u>197,404</u></b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	\$ 128,744	146,359
Non-current	<u>49,350</u>	<u>51,045</u>
	<b><u>\$ 178,094</u></b>	<b><u>197,404</u></b>

(k) Other current assets and other non-current assets

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Payment to suppliers	\$ 78,363	66,647
Deferred tax assets	1,116	2,651
Prepaid payment for land	23,413	23,413
Prepaid payment for equipment	16,068	2,764
Others	<u>10,095</u>	<u>25,816</u>
	<b><u>\$ 129,055</u></b>	<b><u>121,291</u></b>
Current	\$ 84,541	91,280
Non-current	<u>44,514</u>	<u>30,011</u>
	<b><u>\$ 129,055</u></b>	<b><u>121,291</u></b>

(l) Short-term loans

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Credit loans	<b><u>\$ 85,906</u></b>	<b><u>92,652</u></b>
Unused credit line	<b><u>\$ 943,324</u></b>	<b><u>949,868</u></b>
Range of interest rate	<b><u>0.70%-4.80%</u></b>	<b><u>0.70%-1.09%</u></b>

The Chairman and the General Manager of the Consolidated Company are guarantors when borrowing from financial institutions. Please refer to Note 7 in detail.

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(m) Long-term borrowing

<b>December 31, 2022</b>				
	<u>Currency</u>	<u>Range of rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	0.875%	114.06.15~114.08.15	\$ 20,584
Less: portion due within one year				<u>(3,973)</u>
Total				<u><b>\$ 16,611</b></u>
Unused long-term credit lines				<u><b>\$ 111,017</b></u>

<b>December 31, 2021</b>				
	<u>Currency</u>	<u>Range of rate</u>	<u>Maturity year</u>	<u>Amount</u>
Total				<u>\$ -</u>
Unused long-term credit lines				<u><b>\$ 100,000</b></u>

(n) Bonds payable

The details of unsecured convertible bonds were as follows:

	<b>December 31, 2021</b>
Total convertible corporate bonds issued	\$ 500,000
Cumulative redeemed amount	-
Cumulative converted amount	<u>(500,000)</u>
Corporate bonds issued balance at year-end	<u><b>\$ -</b></u>
	<b>2021</b>
Embedded derivative instruments – call and put rights, included in financial liabilities at fair value through profit or loss	<u><b>\$ 27</b></u>
Interest expense	<u><b>\$ 55</b></u>

The Group issued 5,000 unsecured 3-year convertible bonds, and pays interest quarterly at an effective interest rate of 0%.

The conversion price was set at \$19.8 at the time of issue. When the common shares qualify for conversion price adjustment in accordance to the terms of issue, such adjustment will be made based on a formula in accordance with the terms of issue. There are no reset terms for this bond.

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## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

After the bond has been issued for over 3 months, if the closing price of the Group's common shares listed on the Taipei Exchange exceeds or equals 30% of the conversion price for 30 consecutive days, or if the remaining amount of bonds that have not been redeemed, repurchased, resold, or converted is less than or equals 10% of the face value, then the Group will redeem the bonds based on face value. If the holder of the bond has not converted at maturity, then the Group must redeem the bond at face value. In addition, if the creditor requests the Group to redeem after 2 years, then the contractual repurchase price will be 100.5% of the par value.

All bonds payable were converted to common stock in March 2021. Please see note 6(r) for detail of conversion for the year ended December 31, 2021.

(o) Lease liabilities

The lease liabilities of the Group are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<u><u>\$ 16,272</u></u>	<u><u>14,873</u></u>
Non-current financial assets	<u><u>\$ 28,852</u></u>	<u><u>33,712</u></u>

For the maturity analysis, please refer to note 6(x).

The amounts recognized in profit or loss was as follows:

	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<u><u>\$ 1,017</u></u>	<u><u>809</u></u>
Expenses relating to short-term leases	<u><u>\$ 1,298</u></u>	<u><u>2,987</u></u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u><u>\$ 181</u></u>	<u><u>151</u></u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<u><u>\$ 18,498</u></u>	<u><u>14,423</u></u>

(i) Real estate leases

The Group leases land and buildings for its office space and storehouse. The leases of office space typically run for a period of 10 years, and of storehouse for 3 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices, or sales that the Group makes at the leased store in the period. Some also require the Group to make payments that relate to the real estate taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(Continued)

**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(ii) Other leases

The Group also leases some machinery equipment and office equipment with lease terms of 1 to 3 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

(i) Defined contribution plan

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Present value of established welfare obligations	\$ 13,987	15,102
Fair value of plan assets	<u>(17,905)</u>	<u>(15,852)</u>
Net defined benefit liabilities	<b><u>\$ (3,918)</u></b>	<b><u>(750)</u></b>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$17,905 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

	<b>2022</b>	<b>2021</b>
Defined benefit obligations at January 1	\$ 15,102	15,335
Current service costs and interest cost	75	74
Remeasurements of net defined benefit liabilities (assets):		
— Actuarial loss (gain) arising from:		
- Demographic assumptions	-	443
- Financial assumptions	(1,625)	(429)
- Experience adjustments	435	(321)
Defined benefit obligations at December 31	<b><u>\$ 13,987</u></b>	<b><u>15,102</u></b>

(Continued)

**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<u>2022</u>	<u>2021</u>
Fair value of plan assets at January 1	\$ (15,852)	(14,876)
Interest income	(76)	(73)
Remeasurements of net defined benefit liabilities (assets):		
— Return on plan assets (excluding interest income)	(1,240)	(190)
Contributions paid by the employer	<u>(737)</u>	<u>(713)</u>
Fair value of plan assets at December 31	<u><u>\$ (17,905)</u></u>	<u><u>(15,852)</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	<u>2022</u>	<u>2021</u>
Net interest of net liabilities for defined benefit obligations	<u><u>\$ (1)</u></u>	<u><u>3</u></u>
Administration expenses	<u><u>\$ (1)</u></u>	<u><u>3</u></u>

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	1.24%~1.50%	0.34%~0.50%
Future salary increase rate	1.00%~2.50%	1.00%~2.50%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$744 thousand.

The weighted average lifetime of the defined benefits plans is 5~11 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	<b>Influences of defined benefit obligations</b>	
	<b>Increased 0.25%</b>	<b>Decreased 0.25%</b>
December 31, 2022		
Discount rate	\$ (371)	386
Future salary increasing rate	375	(363)
December 31, 2021		
Discount rate	(446)	464
Future salary increasing rate	448	(433)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Group and GRAND TONE ENTERPRISE CO., LTD. allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group and GRAND TONE ENTERPRISE CO., LTD. allocate the labor pension at a specific percentage to the Bureau of the Labor Insurance without additional legal or constructive obligations.

YUAN RUI RECYCLING TECHNOLOGY CO., LTD. and JIIN YEEH DING (H.K.) ENTERPRISES LTD. adopt a definite allocation system for pension payments. The company allocates insurance money every month and deposits it into the employee's special pension insurance account, which is completely separated from the company. When the resignation is accompanied by the transfer, the amount that should be allocated is listed as the current expense, and the remaining subsidiaries have no formal employees.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$4,459 thousand and \$4,149 thousand for the years ended December 31, 2022 and 2021, respectively.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (q) Income tax

(i) The components of income tax in the years 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current tax expense	\$ 76,159	85,315
Deferred tax expense	<u>2,769</u>	<u>10,097</u>
Income tax expense	<u><b>\$ 78,928</b></u>	<u><b>95,412</b></u>

Reconciliation of income tax and profit before tax for 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Profit excluding income tax	\$ 417,957	545,385
Income tax using the Company's domestic tax rate	83,313	117,341
Non-deductible expenses	(899)	674
Permanent difference	(3,659)	(11,382)
Current-year losses for which no recognized deferred tax assets	-	74
Changes in unrecognized temporary differences	(6,009)	(11,811)
Change in provision in prior periods	(709)	10
5% additional tax on unappropriated earnings	<u>6,891</u>	<u>506</u>
Income tax expense	<u><b>\$ 78,928</b></u>	<u><b>95,412</b></u>

## (ii) Deferred tax assets and liabilities

## 1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tax effect of deductible temporary differences	\$ 44,179	52,242
The carryforward of unused tax losses	<u>-</u>	<u>74</u>
Total	<u><b>\$ 44,179</b></u>	<u><b>52,316</b></u>

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

According to the Income Tax Act, the loss carryforward are the losses incurred in past 10 years assessed by ROC tax authorities which can be deducted from the net profit of current year before levied. The items are not recognized as deferred income tax assets due to the fact that the Group may not have sufficient taxable income in the future for the losses.

#### 2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Inventory valuation losses	Unrealized exchange loss	Evaluation loss of financial instrument	Tax loss	Others	Total
Deferred Tax Assets:						
<b>Balance at January 1, 2022</b>	\$ 1,318	693	603	-	37	2,651
Recognized in profit or loss	(878)	(692)	23	-	(40)	(1,587)
Foreign currency translation differences for foreign operations	(49)	-	-	-	(3)	52
<b>Balance at December 31, 2022</b>	<b>\$ 489</b>	<b>1</b>	<b>626</b>	<b>-</b>	<b>-</b>	<b>1,116</b>
<b>Balance at January 1, 2021</b>	\$ 2,265	363	3,869	21,708	25	28,230
Recognized in profit or loss	(900)	320	(3,266)	(6,483)	13	(10,316)
Reclassification to non-current assets held for sale	-	-	-	(14,985)	-	(14,985)
Foreign currency translation differences for foreign operations	(47)	10	-	(240)	(1)	(278)
<b>Balance at December 31, 2021</b>	<b>\$ 1,318</b>	<b>693</b>	<b>603</b>	<b>-</b>	<b>37</b>	<b>2,651</b>

	Evaluation gain of financial instruments
<b>Deferred Tax Liabilities:</b>	
<b>Balance at January 1, 2022</b>	\$ -
Recognized in profit or loss	1,155
<b>Balance at December 31, 2022</b>	<b>\$ 1,155</b>
<b>Balance at January 1, 2021</b>	\$ 219
Recognized in profit or loss	(219)
<b>Balance at December 31, 2021</b>	<b>\$ -</b>

(iii) The Company's tax returns for the years through 2020 were assessed by the Taipei National Tax Administration. In addition, mainland subsidiary and Hong Kong subsidiary were declared to local tax authority for the years through 2021, respectively.

(iv) The Company has obtained the approval of the taxation authority in July 2022 and 2021 to pay the payable taxes settled and reported for 2021 and 2020 in three years. If there are other payments of refundable taxes, they shall be used to offset the owed tax payments in separate periods. As of December 31, 2022, \$25,040 thousand of payable income taxes have not yet been offset.

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## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(r) Capital and other equity

As of December 31, 2022, the total value of authorized shares was amounted to \$1,500,000 thousand with par value of \$10 per share. Above-mentioned authorized shares are all ordinary shares, the number of issued shares were 95,942 thousand of shares (2021: 119,923 thousand of shares) and all issued shares were paid up upon issuance.

Reconciliation of shares outstanding for 2022 and 2021 were as follows:

	(in thousand shares)	
	<b>Ordinary share</b>	
	<b>2022</b>	<b>2021</b>
Balance on January 1	\$ 119,923	116,183
Cash capital decrease	(23,986)	-
Execution of employee share options	5	50
Conversion of convertible bonds	-	3,690
Balance on December 31	<b><u>\$ 95,942</u></b>	<b><u>119,923</u></b>

(i) Ordinary share

On June 27, 2022, the Company's general shareholders' meeting resolved to decrease capital by cash and refunded \$239,856 thousand in cash, with a par value of \$10 per share. The Company cancelled 23,986 thousand shares (20,218 thousand shares of TPEX common shares and 3,768 thousand shares of private placement common shares). The capital decrease proposal was approved by the Board of Directors which set September 2, 2022 as the record date for the capital decrease and set October 28, 2022 as the record date for the replacement shares. As of December 31, 2022, the legal registration procedures have been completed.

The company issued 5 thousand and 50 thousand of new shares of common stock for the exercise of employee stock options in 2022 and 2021 at par value \$10 per share, amounted to \$50 thousand and \$500 thousand with paid amount to \$40 thousand and \$410 thousand. The difference between par value and subscription price were recorded as capital surplus-share premium. For the aforementioned 5 thousand and 50 thousand of shares, relevant registration procedures were completed.

The convertible bonds issued by the Company in 2019 had been converted to common share capital of \$36,898 thousand and the number of converted shares was 3,690 thousand of shares. As of December 31, 2021, relevant registration procedures were completed.

(ii) Capital surplus

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Share premium	\$ 809,101	809,058
Employee share options	1,869	2,083
Others	274	113
	<b><u>\$ 811,244</u></b>	<b><u>811,254</u></b>

(Continued)

## **JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

#### (iii) Retained earnings

By the Company's article of incorporation, if there is a surplus in the annual final accounts of the Company, taxes shall first be paid in accordance with the law and accumulated losses shall be made up for and then another 10% withdrawal shall be made for legal reserve. However, this provision shall no longer be made when the legal reserve has reached the level of the Company's paid-in capital and the remainder will be set aside or reversed as special reserve according to the laws and regulations. If there is any remaining balance and accumulated undistributed surplus, the Board of Directors shall formulate a proposal for distribution of the surplus, and the shareholders' meeting shall be petitioned to issue a resolution on the distribution of dividends to shareholders.

The Company's dividend policy shall align with current and future development plans, consider the investment environment and the capital needs and domestic and foreign competition, and take into account the interests of shareholders, thereby balancing dividends and the Company's long-term financial planning and other factors, and every year the Board of Directors shall draw up a distribution plan in accordance with the law and submit it to the shareholders' meeting. The Company may allocate more than 30% of the dividends to shareholders of the current year's distributable earnings. When distributing dividends to shareholders, in cash or stock, corresponding cash dividends shall not be less than 20% of the total dividends.

#### (1) Legal reserve

If the Company does not have losses, the shareholders' meeting may resolve to distribute legal reserve in the form of new shares or cash. However, the distribution shall be restricted to the legal reserve in excess of 25% of the paid-in capital.

#### (2) Special reserve

Pursuant to Jiin-Guan-Zheng-Fa No. 1010012865 Letter of the FSC, when the Company distributes distributable earnings, it shall set aside a special reserve from the earnings of the current period and undistributed earnings from the previous period for the net deductions in other shareholders' equity that occurred in the current year. The special reserve from undistributed earnings of the previous period shall not be distributed for the net deductions in other shareholders' equity accumulated in the previous period. If there is a subsequent reversal in the deductions in other shareholders' equity, the reversed portion of the surplus may be distributed.

#### (3) Earnings distribution

Earnings distribution for 2021 and 2020 was decided by the resolution adopted, at the general meeting of shareholders held on June 27, 2022 and July 26, 2021, respectively. The relevant dividend distributions to shareholders were as follow:

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	2021		2020	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	<u>\$ 1.80</u>	<u>215,870</u>	<u>1.60</u>	<u>191,878</u>

On March 6, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings by cash amounting to \$1.88 per share, total amount \$180,492 thousand.

(s) Share-based payment

(i) Determining the fair value of equity instruments granted

In 2014, the Group used two binominal method in measuring the fair value of the employee stock options. The measurement inputs were as follows:

	2014
Expected life (years)	10 years
Expected dividend rate	-

The market price of stocks on the grant date is evaluated using the market-based method.

The expected volatility is estimated by using the standard deviation of the rate of return of stock prices given to the industry in the most recent year.

(ii) Information of employee stock options

Employee stock options	2022		2021	
	Weighted-average exercise price (NT dollars)	Shares (in thousands)	Weighted-average exercise price (NT dollars)	Shares (in thousands)
Outstanding shares on January 1	\$ 7.90	194	8.20	244
Invalidated shares during the period	7.90	(15)	-	-
Exercisable shares during the period	7.90	<u>(5)</u>	8.20	<u>(50)</u>
Outstanding shares on December 31	9.40	<u>174</u>	7.90	<u>194</u>
Exercisable shares on December 31	9.40	<u>174</u>	7.90	<u>194</u>

The details of the share options of the Group as of December 31, 2022 and 2021 were as follows:

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Range of exercise price (dollar)	\$ 9.40	7.90
Weighted average of remaining contractual period (year)	1.75	2.75

In the event of any cash dividend distributed, change of common shares or cancellation of non-treasury shares, the subscription price of the stock options plan has been adjusted in accordance with the measures for issuance of employee stock options and subscription of the Company.

On August 6, 2021, the Board of Directors decided to distribute cash dividend, with September 18, 2021 as the ex-dividend date. The exercise price shall be adjusted from NT \$8.2 per share to NT \$7.9 per share in accordance with the terms and conditions of the issuance.

On July 8, 2021, the Board of Directors decided to distribute cash dividend, with August 3, 2022 as the ex-dividend date. The exercise price shall be adjusted from NT \$7.9 per share to NT \$7.5 per share in accordance with the terms and conditions of the issuance.

On June 27, 2022, the Company's general shareholders' meeting passed a resolution to approve the cash capital decrease and authorized the Chairman to set the record date of the capital reduction as September 2, 2022. The exercise price shall be adjusted from NT\$7.5 per share to NT\$9.4 per share in accordance with the terms and conditions of the issuance.

(t) Earnings per share

(1) Net profit attributable to shareholders of the Company's common shares

	<u>2022</u>		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Net profit (loss) attributable to shareholders of the Company's common shares	<u>\$ 343,809</u>	<u>(27,496)</u>	<u>316,313</u>
	<u>2021</u>		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Net profit (loss) attributable to shareholders of the Company's common shares	<u>\$ 458,143</u>	<u>(46,995)</u>	<u>411,148</u>

(2) Weighted average number of common shares outstanding

	<u>2022</u>	<u>2021</u>
Weighted average number of common shares outstanding (thousand shares)	<u>111,975</u>	<u>118,337</u>

(Continued)

**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

2. Diluted earnings (losses) per share

(1) Net profit attributable to shareholders of the  
Company's common shares (diluted)

	<u>2022</u>		
	<u>Continuing</u>	<u>Discontin</u>	
	<u>operations</u>	<u>ued</u>	<u>Total</u>
		<u>operations</u>	
Net profit (loss) attributable to shareholders of the Company's common shares	<u>\$ 343,809</u>	<u>(27,496)</u>	<u>316,313</u>
	<u>2021</u>		
	<u>Continuing</u>	<u>Discontin</u>	
	<u>operations</u>	<u>ued</u>	<u>Total</u>
		<u>operations</u>	
Net profit (loss) attributable to shareholders of the Company's common shares	\$ 458,143	(46,995)	411,148
After-tax impact of interest expense and other gains or losses of convertible bonds	<u>65</u>	<u>-</u>	<u>65</u>
Net profit attributable to shareholders of the Company's common shares (diluted)	<u>\$ 458,208</u>	<u>(46,995)</u>	<u>411,213</u>

(2) Weighted average number of common shares outstanding (diluted)

	<u>2022</u>	<u>2021</u>
Weighted average number of common shares outstanding (thousand shares)	\$ 111,975	118,337
Impact of dilutive potential common shares		
Impact of employees' remuneration	880	1,061
Impact of the issuance of employee stock options	124	152
Impact of the conversion of convertible corporate bonds	<u>-</u>	<u>376</u>
Weighted average number of common shares outstanding (after adjusting for the impact of dilutive potential common shares) (thousand shares)	<u>\$ 112,979</u>	<u>119,926</u>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

For calculation of the dilution effect of employ stock options, the average market value is assessed based on the market price of the Group's shares during the period in which the stock options are outstanding.

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
<b>Primary geographical markets</b>			
China	\$ 1,411,702	369,131	1,780,833
Taiwan	677,723	-	677,723
Northeast Asia	910,961	-	910,961
Europe	173,102	-	173,102
Southeast Asia	451,862	-	451,862
	<b><u>\$ 3,625,350</u></b>	<b><u>369,131</u></b>	<b><u>3,994,481</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
<b>Primary geographical markets</b>			
China	\$ 996,592	526,960	1,523,552
Taiwan	676,796	-	676,796
Northeast Asia	912,315	-	912,315
Europe	434,551	-	434,551
Southeast Asia	389,589	-	389,589
	<b><u>\$ 3,409,843</u></b>	<b><u>526,960</u></b>	<b><u>3,936,803</u></b>
	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
<b>Major products/services lines</b>			
Gold and mixed metal including gold	\$ 1,171,095	2,194	1,173,289
Copper	1,272,160	176,127	1,448,287
Other	1,182,095	190,810	1,372,905
	<b><u>\$ 3,625,350</u></b>	<b><u>369,131</u></b>	<b><u>3,994,481</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
<b>Major products/services lines</b>			
Gold and mixed metal including gold	\$ 1,173,001	46,849	1,219,850
Copper	1,391,734	379,855	1,771,589
Other	845,108	100,256	945,364
	<b><u>\$ 3,409,843</u></b>	<b><u>526,960</u></b>	<b><u>3,936,803</u></b>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(ii) Contract balances

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Note receivables	\$ 23	103
Trade receivables	153,328	317,016
Less: allowance for impairment	-	(136)
Total	<b><u>\$ 153,351</u></b>	<b><u>316,983</u></b>

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Contract liabilities	<b><u>\$ -</u></b>	<b><u>5,083</u></b>

For details on trade receivables and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$5,640 thousand and \$7,037 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The contract liabilities of the Group are recorded as "Other Current Liabilities-Others".

(v) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute 6%~15% of the profit as employee compensation and less than 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to \$24,735 thousand and \$31,497 thousand, and directors' and supervisors' remuneration amounting to \$6,184 thousand and \$7,874 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors, respectively. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(w) Non-operating income and expenses

(i) Interest income

Components of interest income for the Group were as follows:

	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Interest income from bank deposits	\$ 5,734	49	5,783
Other interest income	11	-	11
	<b><u>\$ 5,745</u></b>	<b><u>49</u></b>	<b><u>5,794</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Interest income from bank deposits	\$ 2,044	83	2,127
Other interest income	10	-	10
	<b><u>\$ 2,054</u></b>	<b><u>83</u></b>	<b><u>2,137</u></b>

(ii) Other income

Components of other income for the Group was as follows:

	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Rent Income	\$ 6,990	-	6,990
Dividend income	6,205	-	6,205
Other income, others	5,006	4,530	9,536
	<b><u>\$ 18,201</u></b>	<b><u>4,530</u></b>	<b><u>22,731</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Rent Income	\$ 6,969	2,047	9,016
Dividend income	4,004	-	4,004
Other income, others	8,072	345	8,417
	<b><u>\$ 19,045</u></b>	<b><u>2,392</u></b>	<b><u>21,437</u></b>

(Continued)

**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(iii) Other gains and losses

Components of Other gains and losses for the Group were as follows :

	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Gains on disposals of property, plant and equipment	\$ -	8,882	8,882
Foreign exchange net gain or loss	58,041	(9,894)	48,147
Net gains on financial assets (liabilities) at fair value through profit or loss	31,331	-	31,331
Miscellaneous disbursements	-	(2,795)	(2,795)
	<b><u>\$ 89,372</u></b>	<b><u>(3,807)</u></b>	<b><u>85,565</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Losses on disposals of property, plant and equipment	\$ -	(23)	(23)
Foreign exchange net gain or loss	(14,043)	2,995	(11,048)
Net losses on financial assets (liabilities) at fair value through profit or loss	(10,569)	-	(10,569)
Miscellaneous disbursements	(337)	(2,282)	(2,619)
	<b><u>\$ (24,949)</u></b>	<b><u>690</u></b>	<b><u>(24,259)</u></b>

(iv) Finance costs

Components of finance costs were as follows:

	<b>2022</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Interest expense	<b><u>\$ 1,822</u></b>	<b><u>1,530</u></b>	<b><u>3,352</u></b>
	<b>2021</b>		
	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Interest expense	<b><u>\$ 1,493</u></b>	<b><u>2,047</u></b>	<b><u>3,540</u></b>

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(x) Financial instrument

(i) Credit risk

1) Credit risk exposure

As at reporting date December 31, 2022 and 2021, the Group's exposure to credit risk and the maximum exposure were mainly from the carrying amount of financial assets and contract assets recognized in the consolidated balance sheet.

2) Concentration of credit risk

As the Group has a large customer base and intends to reduce the credit risk, the Consolidated Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment losses, always within the expectations of management. As of December 31, 2022 and 2021, 49% and 58%, respectively, of trade receivables were the major customers. Thus, credit risk is significantly centralized.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
<b>December 31, 2022</b>					
Non-derivative financial liabilities					
Liabilities without interest	\$ 185,456	185,456	-	-	-
Leased liabilities	47,222	17,085	15,773	7,586	6,778
Floating-rate instruments	20,882	4,147	10,396	6,339	-
Fixed rate instrument	102,802	102,802	-	-	-
Derivative financial liabilities					
Outflow	3,132	3,132	-	-	-
	<u>\$ 359,494</u>	<u>312,622</u>	<u>26,169</u>	<u>13,925</u>	<u>6,778</u>
<b>December 31, 2021</b>					
Non-derivative financial liabilities					
Liabilities without interest	\$ 186,002	186,002	-	-	-
Leased liabilities	51,154	15,771	14,592	13,408	7,383
Fixed rate instrument	92,652	92,652	-	-	-
Derivative financial liabilities					
Outflow	3,015	3,015	-	-	-
	<u>\$ 332,823</u>	<u>297,440</u>	<u>14,592</u>	<u>13,408</u>	<u>7,383</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

(in thousands)	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 11,463	30.71	352,029	9,650	27.68	267,112
JPY	212,653	0.23	48,910	421,197	0.24	101,087
CNY	8,140	4.41	35,897	12,471	4.34	54,124
EUR	371	32.72	12,139	1,379	31.32	43,190
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	1,460	30.71	44,837	3,561	27.68	98,568
JPY	192,821	0.23	44,349	151,926	0.24	36,462

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD against the USD, EUR, CNY and JPY as of December 31, 2022 and 2021 would have increased (decreased) the net profit after tax by \$3,598 thousand and \$3,305 thousand. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$58,041 thousand and \$14,043 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(v) Other market price risk

The Group is subject to the price of precious metals fluctuation, resulting in the risk of hedging its futures trades against market inventory price fluctuations.

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed increase / decrease by 10% basis points, profit before tax would have decreased / increased by \$6,130 thousand and \$6,479 thousand.

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	<b>December 31, 2022</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Current financial asset mandatorily measured at fair value through profit or loss	\$ 12,150	12,150	-	-	12,150
Non-current financial asset mandatorily measured at fair value through profit or loss	163,786	-	-	163,786	163,786
Derivative financial instruments – non-current	<u>58,100</u>	<u>-</u>	<u>58,100</u>	<u>-</u>	<u>58,100</u>
Subtotal	<u>\$ 234,036</u>	<u>12,150</u>	<u>58,100</u>	<u>163,786</u>	<u>234,036</u>
Financial liabilities at fair value through profit or loss					
liabilities	<u>\$ (3,132)</u>	<u>-</u>	<u>(3,132)</u>	<u>-</u>	<u>(3,132)</u>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	December 31, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets and liabilities at fair value through profit or loss					
Current financial asset mandatorily measured at fair value through profit or loss	\$ 17,871	17,781	-	-	17,871
Non-current financial asset mandatorily measured at fair value through profit or loss	<u>134,269</u>	<u>-</u>	<u>-</u>	<u>134,269</u>	<u>134,269</u>
Subtotal	<u><b>\$ 134,269</b></u>	<u><b>17,781</b></u>	<u><b>-</b></u>	<u><b>134,269</b></u>	<u><b>152,140</b></u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	<u><b>\$ (3,015)</b></u>	<u><b>-</b></u>	<u><b>(3,015)</b></u>	<u><b>-</b></u>	<u><b>(3,015)</b></u>

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If a financial instrument has an open quotation in the active market, the open quotation in the active market shall be taken as its fair value. The quoted market prices of major exchanges and central government bond over the counter trading centers judged to be popular securities are the basis for the fair value of listed (counter) equity instruments and debt instruments with active open market quotations.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For financial instruments held by the Group with active markets, their fair values are listed as follows according to their categories and attributes:

Domestic and foreign listed (counter) company stocks and domestic fund beneficiary certificates are financial assets that have standard terms and conditions and are traded in active markets, and their fair values are determined with reference to market quotes.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date. (e.g. Taipei Exchange refers to the yield curve and the average quotation of the Reuters commercial promissory note interest rate)

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

If the financial instruments held by the Group have no active market, their fair values are listed as follows according to their categories and attributes:

Equity instruments without public quotation: The fair value is estimated using the market comparable company method. The main assumption is based on the net profit of the investor and the earnings multiplier derived from the market quotation of the comparable listed (counter) company. This estimate has been adjusted for the discount effect of the lack of market liquidity of the equity securities.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

3) Reconciliation of Level 3 fair values

	<b>At fair value through profit or loss</b>
	<b>Non-derivative mandatorily measured at fair value through profit or loss</b>
Opening balance at January 1, 2022	\$ 134,269
Total gains and losses recognized:	
In profit or loss	33,297
Disposal	(3,780)
Ending Balance at December 31, 2022	<b><u>\$ 163,786</u></b>
Opening balance at January 1, 2021	\$ 96,168
Total gains and losses recognized:	14,645
In profit or loss	
Purchased	23,456
Ending Balance at December 31, 2021	<b><u>\$ 134,269</u></b>

For the years ended December 31, 2022 and 2021, total gains and losses that was included in “other gains and losses” was as follows:

	<b>2022</b>	<b>2021</b>
Total gains and losses recognized:		
In profit or loss, and including “other gains and losses”	\$ 33,297	14,645

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- 4) The quantified information for significant unobservable inputs (level 3) used in fair value measurement

The Group's financial instruments that use level 3 input to measure fair values include financial assets at fair value through profit or loss—equity securities investment.

Most of fair value measurements of the Group which are categorized as equity investment into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

The quantified information for significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income—equity investment without an active market	Comparable market approach	<ul style="list-style-type: none"> <li>• Company value multiplier (3.05 and 3.74 respectively, on December 31, 2022 and 2021)</li> <li>• Price-to-Earning Ratio (16.89~17.56 and 20.51~21.02 respectively, on December 31, 2022 and 2021)</li> <li>• Price Book ratio (3.75 and 3.85 respectively, on December 31, 2022 and 2021)</li> <li>• Lack-of-Marketability discount rate (10%~12.64% and 15.80% respectively, on December 31, 2022 and 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiplier is, the higher the fair value will be.</li> <li>• The higher the Price-to-Earning Ratio is, the higher the fair value will be.</li> <li>• The higher the Price-Book ratio is, the higher the fair value will be.</li> <li>• The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.</li> </ul>

- 5) Sensitivity analysis for fair value of financial instruments using level 3 inputs

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impact on other comprehensive income or loss are as follows:

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

	Input	Move up or down	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
<b>December 31, 2022</b>						
Financial assets at fair value through profit or loss						
Equity investments without active market	Company value multiplier/PE ratio/PB ratio/Discount rate	1%	1,629	(1,629)	-	-
		1%	1,828	(1,828)	-	-
<b>December 31, 2021</b>						
Financial assets at fair value through profit or loss						
Equity investments without active market	Company value multiplier/PE ratio/ PB ratio	1%	1,324	(1,324)	-	-
	Discount rate	1%	1,590	(1,590)	-	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(y) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has responsibility for the establishment and oversight of the risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(Continued)

## **JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

The Board of Directors of the Group oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors of the Group is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

#### (iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

##### 1) Trade and other receivable

To mitigate credit risk, the Group has established credit extension and accounts receivable management procedures to ensure that appropriate actions are taken for the collection of overdue receivables. In addition, the Group will review the recoverable amounts of receivables on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been provided for unrecoverable receivables. Accordingly, the management of the Group believes that the credit risk of the Group has been significantly reduced.

In addition, because the counterparty of current assets and derivative financial instruments is a bank with good credit, the credit risk is limited.

Trade receivable cover a wide range of customers, dispersed in different industries and geographical regions. The Group continuously evaluates the financial position of trade receivable customers.

#### (iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

#### (v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### (z) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2022 and 2021 were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 561,277	625,087
Less: cash and cash equivalents	<u>(738,386)</u>	<u>(916,278)</u>
Net debt	<b><u>\$ (177,109)</u></b>	<b><u>(291,191)</u></b>
Total equity	<b><u>\$ 2,623,287</u></b>	<b><u>2,705,539</u></b>
Debt-to-equity ratio at December 31	<b><u>(7.24)%</u></b>	<b><u>(10.76)%</u></b>

The debt-to-equity ratio had decreased on December 31, 2022 due to the payables for disposal groups held for sale.

(aa) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in 2022 and 2021 were as follows:

(i) Please refer to note 6(r) for corporate bond conversion to ordinary shares.

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	<b>January 1, 2022</b>	<b>Cash flows</b>	<b>Non cash changes</b>			<b>December 31, 2022</b>
			<b>Foreign exchange movement</b>	<b>changes in lease payments</b>	<b>Other</b>	
Long-term borrowing	\$ -	20,584	-	-	-	20,584
Short-term borrowing	92,652	(6,818)	72	-	-	85,906
Lease liabilities	<u>48,585</u>	<u>(17,019)</u>	<u>3,198</u>	<u>10,360</u>	<u>-</u>	<u>45,124</u>
Total liabilities from financing activities	<b><u>\$ 141,237</u></b>	<b><u>(3,253)</u></b>	<b><u>3,270</u></b>	<b><u>10,360</u></b>	<b><u>-</u></b>	<b><u>151,614</u></b>
			<b>Non cash changes</b>			
	<b>January 1, 2021</b>	<b>Cash flows</b>	<b>Foreign exchange movement</b>	<b>changes in lease payments</b>	<b>Other</b>	<b>December 31, 2021</b>
Short-term borrowings	\$ 184,934	(81,226)	(11,056)	-	-	92,652
Lease liabilities	37,897	(10,476)	(876)	-	22,040	48,585
Cooperate bonds	<u>67,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,987)</u>	<u>-</u>
Total liabilities from financing activities	<b><u>\$ 290,818</u></b>	<b><u>(91,702)</u></b>	<b><u>(11,932)</u></b>	<b><u>-</u></b>	<b><u>(45,947)</u></b>	<b><u>141,237</u></b>

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (7) Related-party transactions:

##### (a) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Yeeh Ding Corporation	The Director of the Company
Su Fong Enterprise Co., Ltd.	An affiliate of the Company
Chuang, Jui-Yuan	The General Manager of the Company
Chuang, Jui-Lung	The Chairman of the consolidated company

##### (b) Significant transactions with related parties

###### (i) Guarantee

As of December 31, 2021, The Chairman, Chuang, Jui-Lung, has provided guarantees for the subsidiary, Grand Tone Enterprise Co., Ltd., was loaned from financial institutions. As of December 31, 2022, there were no such conditions.

###### (ii) Leases

In May 2018, the Groups rented the land for parking of the business cars from Yeeh Ding Corporation. A lease contract was signed, in which the rental fee is determined based on nearby rental rates. For the year ended December 31, 2022 and 2021, the Group recognized the amount of \$21 thousand and \$23 thousand as interest expense, respectively. As of December 31, 2021 and 2020, the balance of lease liabilities amounted to \$1,343 thousand and \$1,493 thousand, respectively.

###### (iii) Property transactions

The Group acquired a 4,381 square meters land from the General Manager of the Company, Chuang, Rui-Yuan, with consideration amount of \$33,899 thousand. The relevant legal procedures have been completed and considerations has been paid.

###### (iv) Other related-party transactions

Account	Related party category	2022	2021
Cost of sales	Affiliate	\$ 18,119	-

The Group appointed Su Fong Enterprise Co., Ltd. to produce plastic pellets on behalf of the Group. As of December 31, 2022, the unsettled balance was \$1,485 thousand and \$0, respectively. They are recognized as payables.

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(c) Key management personnel transactions

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 30,534	33,471
Termination benefits	<u>567</u>	<u>523</u>
Total	<u><u>\$ 31,101</u></u>	<u><u>33,994</u></u>

The benefit of directors and management were decided by the Compensation Committee according to personal performance and market trend.

**(8) Pledged assets:**

The following assets of the Groups have been provided as collateral for customs duties, purchase guarantees, futures guarantees and long-term borrowing:

<u>Assets name</u>	<u>Pledged items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other current financial assets	Customs duties and purchase guarantees	\$ 59,005	17,464
Other current financial assets	Entrusted processing performance guarantee	-	72,000
Other current financial assets	Futures guarantees	39,310	26,535
Property, plant and equipment	Long-term borrowing	<u>92,404</u>	<u>-</u>
		<u><u>\$ 190,719</u></u>	<u><u>115,999</u></u>

**(9) Commitments and contingencies:**

The Group has entered into a contract on August 31, 2021 to dispose 82.62% of the Rongding Company's equity and ownership with consideration of CNY 49,569 thousand (hereinafter referred to as the Share Transfer Agreement). On January 20, 2022, the Group and the aforementioned buyer signed a supplementary agreement stating that if the contract cannot be performed due to force majeure, the buyer agrees to purchase a part of the land use rights owned by Rongding and pay a compensation amounting to CNY 4,300 thousand for the damage to rights and interests of the Group.

The Group and the buyer disagreed on the definitions of force majeure. The buyer claimed that the new energy consumption control policy promulgated by the government of China constituted force majeure and requested the rescission of the Share Transfer Agreement. The Group claimed that the reason was not within the scope of force majeure in the Share Transfer Agreement and the buyer may not claim the rescission of the Share Transfer Agreement. Litigation procedures have started for this case as of the approval and publication date of the financial statements. The land right use transaction contract specified above had been concluded and the price of disposal totaling NT\$18,797 thousand had been collected. The gain from the disposal totaling NT\$8,980 thousand was recognized as the profit and loss of the discontinued operations. Please refer to Note 12(b).

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None.**

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (12) Other:

- (a) A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	2022						2021					
	Cost of Sale		Operating Expense		Total		Cost of Sale		Operating Expense		Total	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Employee benefits expense												
Salary	59,420	107	107,158	10,311	166,578	10,418	53,848	2,948	121,331	9,166	175,179	12,114
Labor and health insurance	5,449	-	5,680	552	11,129	532	4,804	173	5,100	333	9,904	506
Pension	2,395	-	2,063	928	4,458	928	2,120	278	2,031	538	4,151	816
Remuneration of directors	-	-	9,720	-	9,720	-	-	-	11,260	-	11,260	-
Others	3,589	-	1,993	633	5,582	633	3,271	159	1,803	382	5,074	541
Depreciation	40,389	-	4,966	19,301	45,355	19,301	33,949	20,557	4,465	2,943	38,414	23,500
Amortization	-	-	270	5	270	5	-	-	205	4	205	4

#### (b) Discontinued operation

As mentioned in note 6(f), the Group's Board of Directors made a decision on August 2021 to dispose subsidiary, Lianyungang Rongding Metal Co., Ltd., and it has been classified as discontinued operation and the discontinued operation is shown separately from continuing operations.

Profit and loss, and cash flows from (used in) discontinued operations are summarized as follows:

	<u>2022</u>	<u>2021</u>
Operating revenues	\$ 369,131	526,960
Operating costs	(348,653)	(552,312)
Operating expenses	<u>(47,216)</u>	<u>(22,761)</u>
Operating losses	(26,738)	(48,113)
Non-operating income and expenses	<u>(758)</u>	<u>1,118</u>
Loss before income tax	<u>(27,496)</u>	<u>(46,995)</u>
Loss for the year	<u>\$ (27,496)</u>	<u>(46,995)</u>
Basic losses per share	<u>\$ (0.25)</u>	<u>(0.40)</u>
Diluted losses per share	<u>\$ (0.24)</u>	<u>(0.39)</u>
Cash outflows to discontinued operation:		
Net cash outflow from (used in) operating activities	\$ (9,257)	92,962
Net cash outflow to investing activities	(109)	(19,317)
Net cash outflow to financing activities	-	(83,761)
Effect of exchange rate changes	<u>231</u>	<u>(187)</u>
Net cash outflow inflow	<u>\$ (9,135)</u>	<u>(10,303)</u>

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(13) Other disclosures:****(a) Information on significant transactions:**

As of December 31, 2021, the following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

**(i) Loans to other parties:**

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Lianyungang Rongding Metal Co., Ltd.	Other accounts receivable	Yes	97,484	18,725	18,725	4.00%	1	-	Operating turnover	-		-	259,849	1,039,397
1	Gold Finance Limited	Yuan Rui Recycling Technology Co., Ltd.	Other accounts receivable	Yes	15,355	-	-	0.00%	2	-	Operating turnover	-		-	925,017	925,017

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Reference for the Nature loan column

- The borrower has business contact with the creditor.
- The borrower has short-term financial necessities.

Note 3: The total amount of loans to others shall not exceed 40% of the net worth of the Company. The total amount for lending to any company shall not exceed 10% of the net worth of the Company. When Gold Finance Limited directly and indirectly reinvests 100% of its overseas subsidiaries and engages in fund loans, and the total amount for lending the borrower shall not exceed 100% of the net worth of Gold Finance Limited.

Note 4: The transaction had been eliminated in the consolidated financial statements.

**(ii) Guarantees and endorsements for other parties:**

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Yuan Rui Recycling Technology Co., Ltd.	2	779,548	245,680 (USD8,000)	184,260 (USD 6,000)	42,473	-	7.09%	1,299,246	Y	N	N
0	The Company	Jiin Yeeh ding (H.K.) Enterprises Limited	2	779,548	353,165 (USD11,500)	245,680 (USD8,000)	41,112	-	9.45%	1,299,246	Y	N	N

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The relationship between the endorser /guarantor and the endorsed guarantor has the following 7 types, just indicate the type:

1. Having business relationship.
2. The borrower has short-term financial necessities.
3. The endorser /guarantor parent company directly and indirectly holds more than 50 % of voting shares of the endorser /guarantor subsidiary.
4. The endorser /guarantor company and the endorsed/guaranteed party both be held more than 90% by the parent company.
5. Company that is mutually protected under contractual requirements based on the needs of the contractor.
6. Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
7. Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 3: The endorsement /guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited net worth of the Company.

Note 4: The total endorsement /guarantee of the Company to others shall not exceed 50% of the most recent audited net worth of the Company.

Note 5: If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date (exchange rate on December 31,2022 is USD/NTD: 30.71)

(Continued)

**JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, affiliates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Chung Tai Resource Technology Corp.	-	Non-current financial assets at fair value through other comprehensive income	3,950	139,779	4.87%	139,779	4.94%	
Hung Wei Development Co., Ltd.	Amia Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	500	12,150	0.70%	12,150	0.70%	
Hung Wei Development Co., Ltd.	Zung Fu Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,099	24,007	1.55%	24,007	1.55%	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: Please refer to notes 6(b).

(x) Business relationships and significant intercompany transactions (Only disclose those transaction amount over one million dollars):

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Grand Tone Enterprise Co., Limited	1	Sales revenue	19,967	Open account 30 days	0.55%
0	The Company	Grand Tone Enterprise Co., Limited	1	Operating cost	61,706	Open account 55 days	1.70%
0	The Company	Grand Tone Enterprise Co., Limited	1	Accounts receivable	7,589	Open account 30 days	0.24%
0	The Company	Grand Tone Enterprise Co., Limited	1	Trade payable	7,131	Open account 60 days	0.22%
0	The Company	Jiin Yeeh Ding (H.K.) Enterprises Limited	1	Other income	7,110	Open account 60 days	0.20%
0	The Company	Yuan Rui Recycling Technology Co., Ltd	1	Other income	4,347	Open account 60 days	0.12%
0	The Company	Lianyungang Rongding Metal Co., Ltd.	1	Sales revenue	19,910	Open account 120 days	0.55%
0	The Company	Lianyungang Rongding Metal Co., Ltd.	1	The receivables	20,395	Open account 120 days	0.64%
0	The Company	Lianyungang Rongding Metal Co., Ltd.	1	Other receivables	26,314	Open account 60 days	0.83%
0	The Company	Lianyungang Rongding Metal Co., Ltd.	1	Other income	1,530	Open account 120 days	0.04%
2	Grand Tone Enterprise Co., Ltd.	Jiin Yeeh Ding (H.K.) Enterprises Limited	3	Other income	1,488	Open account 60 days	0.04%
2	Grand Tone Enterprise Co., Ltd.	Lianyungang Rongding Metal Co., Ltd.	3	Other income	1,898	Open account 60 days	0.05%
2	Grand Tone Enterprise Co., Ltd.	Lianyungang Rongding Metal Co., Ltd.	3	Other receivables	1,478	Open account 60 days	0.05%

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 1: The numbers filled in as follows:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1. represents transactions between the parent company and its subsidiaries.
2. represents transactions between the subsidiaries and the parent company.
3. represents transactions between the subsidiaries and the parent company.

Note 3: The business relationship and important transactions between the parent company and the subsidiary company only disclose the parent company's sales and accounts receivable information, and its purchases and accounts payable to the other party will not be repeated.

Note 4: The transaction had been eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	GOLD FINANCE LIMITED	Samoa	Investment	1,069,602	1,069,602	34,067	100.00%	925,017	100.00%	44,557	44,557	Subsidiaries
The Company	Grand Tone Enterprise Co., Limited	Taiwan	Waste removal	145,000	145,000	(Note 1)	100.00%	171,528	100.00%	19,232	18,576	Subsidiaries
The Company	Hung Wei Development Co., Ltd.	Taiwan	Real estate development	100,000	100,000	10,000	100.00%	82,976	100.00%	(17,998)	(17,998)	Subsidiaries
The Company	Su Fong Enterprise Co., Ltd.	Taiwan	Manufacturing of plastic products	20,000	12,000	2,000	40.00%	15,123	40.00%	(4,703)	(1,881)	Associate
GOLD FINANCE LIMITED	Jiin Yeeh Ding (H.K.) Enterprises Limited	Hong Kong	Waste removal	274,364	274,364	(Note 1)	100.00%	534,939	100.00%	27,215	27,215	Subsidiaries
GOLD FINANCE LIMITED	Shing Jung Recycling Technology Co., Limited	Hong Kong	Investment	674,925	674,925	(Note 1)	100.00%	117,479	100.00%	(22,716)	(22,716)	Subsidiaries
GOLD FINANCE LIMITED	Yuan Rui Recycling Technology Co., Limited	Hong Kong	Trade	29,476	29,476	(Note 1)	100.00%	70,718	100.00%	20,610	20,610	Subsidiaries

Note 1: It is a limited company with only capital contribution and no shares.

Note 2: The transaction had been eliminated in the consolidated financial statements except Su Fong Enterprise Co., Ltd.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Highest Percentage of ownership	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Lianyungang Rongding Metal Co., Ltd.	Production and sales of copper, gold, silver and palladium	794,928 USD25,885	(2)	674,925 USD21,385	-	-	674,925 USD 21,385	(27,496)	82.62%	82.62%	(22,716)	117,831	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
739,128 (USD 24,068 thousand)	741,984 (USD 24,161 thousand)	1,559,095

Note 1: Method of Investment:

- Type1: Indirectly investment in Mainland China through companies remit money in the third region.  
Type2: Indirectly investment in Mainland China through companies registered in the third region.  
Type3: Indirectly investment in Mainland China through an existing company registered in the third region.  
Type4: Directly investment in Mainland China.

Note 2: It is calculated based on the financial statements reviewed by the accountant during the same period. In addition, the conversion is based on the announced exchange rate.

Note 3: The amounts in New Taiwan Dollars were translated at the exchange rates at the balance sheet date or the average exchange rate.

Note 4: It is calculated in accordance with the "Principles for the Review of Investment or Technical Cooperation in Mainland China" revised by the Investment Review Committee on August 29, 2008 to 60% of the net value.

Note 5: The transaction had been eliminated in the consolidated financial statements except Zhejiang Taiwei Environmental Technology Co., Ltd..

(iii) Significant transactions:

For the year ended December 31, 2022, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions".

(Continued)

## JIIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
YEEH DING CORP.		11,727,421	12.22%
Zhuang, Rui-Yuan		5,323,913	5.54%

Note: (1) The information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, showing who holds more than 5% of the common shares and preferred shares that have been delivered (including treasury shares) without physical registration. Due to different calculation bases, there may be differences between the share capital recorded in the company's financial report and the actual number.

(2) If the above-mentioned information is that the shareholders hand over the shares to the trust, it will be disclosed by the special account opened by the trustee. As for the insider equity declaration of shareholders holding more than 10%, according to the Securities and Exchange Act, their shareholding includes the shares held by themselves plus the shares that they have delivered to the trust, having the right to exercise decision-making power over the trust property, etc., please refer to Public Information Observatory for the information on the declaration of insider equity.

#### (14) Segment information:

(a) General information

The Group have similar economic characteristics and use similar manufacturing processes and produce similar products. Therefore, the Group reported by a single operating department. In addition, the information on the consolidated company's departmental profit and loss, department assets and department liabilities is consistent with the consolidated financial report. Please refer to the Consolidated Balance Sheet and the Consolidated Statements of Comprehensive Income.

(b) Information about reportable segments and their measurement and reconciliations

The Group's operating segment information and reconciliation are as follows:

	2022		
	Continuing operations	Discontinued operations	Total
Gold and mixed metal including gold	\$ 1,171,095	2,194	1,173,289
Copper	1,272,160	176,127	1,448,287
Others	1,182,095	190,810	1,372,905
	<u>\$ 3,625,350</u>	<u>369,131</u>	<u>3,994,481</u>
	2021		
	Continuing operations	Discontinued operations	Total
Gold and mixed metal including gold	\$ 1,173,001	46,849	1,219,850
Copper	1,391,734	379,855	1,771,589
Others	845,108	100,256	945,364
	<u>\$ 3,409,843</u>	<u>526,960</u>	<u>3,936,803</u>

(Continued)

**JJIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

<u>Geographical information</u>	2022		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Revenue from external:			
China	\$ 1,411,702	369,131	1,780,833
Taiwan	677,723	-	677,723
Japan	910,961	-	910,961
Belgium	173,102	-	173,102
Others	451,862	-	451,862
Total	<u>\$ 3,625,350</u>	<u>369,131</u>	<u>3,994,481</u>

<u>Geographical information</u>	2021		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Revenue from external:			
China	\$ 996,592	526,960	1,523,552
Taiwan	676,796	-	676,796
Japan	912,315	-	912,315
Belgium	434,551	-	434,551
Others	389,589	-	389,589
Total	<u>\$ 3,409,843</u>	<u>526,960</u>	<u>3,936,803</u>

<u>Geographical information</u>	December 31, 2022		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Non-current assets			
China	\$ 200,824	153,384	191,736
Taiwan	516,512	-	423,533
Total	<u>\$ 717,336</u>	<u>153,384</u>	<u>615,269</u>

(Continued)

**JIN YEEH DING ENTERPRISE CORP. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

<u>Geographical information</u>	<b>December 31, 2021</b>		
	<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Non-current assets :			
China	\$ 191,736	176,641	368,377
Taiwan	423,533	-	423,533
Total	<u>\$ 615,269</u>	<u>176,641</u>	<u>791,910</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(d) Major customers

The details of sales revenue from external customers more than 10% of the amount of consolidated statement of comprehensive income are as follows in 2022 and 2021:

<u>Customer name</u>	<u>2022</u>	<u>2021</u>
A Company	\$ 862,682	892,418
B Company	637,390	464,152
D Company	469,500	434,551
E Company	161,617	303,372
	<u>\$ 2,131,189</u>	<u>2,094,493</u>