

Stock code: 4414

Roo Hsing Co., Ltd.
Parent Company Only Financial Statements
For the Years Ended December 31, 2022 and 2021
Together with Independent Auditors' Report

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

Ros Hsing Co., Ltd.

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Independent Auditors' Report

Roo Hsing Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Roo Hsing Co., Ltd. (the "Company") as of December 31, 2022, and the related parent company only financial statements of comprehensive income, changes in equity and cash flows for the years then ended and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards accepted in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditor's responsibilities for the audit of the parent company only financial statements** section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

1. Evaluation of inventories

Please refer to Note 4(11) to the parent company only financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the parent company only financial statements for the accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the parent company only financial statements for the details of inventories account.

Inventories of the Company are measured at the lower of cost and net realizable value. Due to the fierce competition of textile products and the rapidly changing market, the risk that the inventory cost may exceed the net realizable value; and related estimation relies on the subjective judgment of the management, which is an uncertain accounting estimate. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but were not limited to, understanding the inventory evaluation policy adopted by the Company, and checking whether it has been implemented in accordance with established accounting policies; sampling the correctness of the inventory age and performing an inventory aging analysis; reviewing the rationality of the provision for inventory allowance for the losses in the past, and compare it with the method and assumptions for estimating inventory allowance for the losses in the current period; to evaluate whether the

Independent Auditors' Report (Continued)

methods and assumptions for estimating inventory allowance for the losses in the current period are appropriated.

2. Revenue recognition

Please refer to Note 4(23) to the parent only financial statements for the accounting policies of revenue recognition; refer to Note 6(23) to the parent Company only financial statements for the details of revenue.

The Company is mainly engaged in the manufacturing and processing of denim clothing. The Company recognized operating revenues in the amount of NT\$ 470,985 thousand in 2022. Operating revenues from top ten customers represented 100% of parent company only operating revenues. Due to the small number of customers and concentration of sales, conditions for the transfer of merchandise and trade conditions are not the same, resulting in different timing of meeting performance obligations, which increases the complexity of revenue recognition. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but were not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating the effectiveness of internal control in the transaction process related to revenue recognition and performing tests of control by selecting samples (including new sales related party customers in the current year with significant amounts and newly added as top 10 important sales customers); reviewing the terms of new sales contracts for the year for any significant difference between new customers and general customers, reviewing the journal entries before and after the balance sheet date to understand whether there is any significant or unusual transaction, recurring or material return of goods in subsequent period; performing gross margin and price-volume analytical procedures according to revenue information classified based on product and customer types; selecting appropriate samples to perform tests of details and inspect the sales orders, finished goods stock out,

Independent Auditors' Report (Continued)

sale invoices, export declaration certificates and subsequent receipts to ensure sales revenue had been appropriately recognized and the customer and the recipient are the same; selecting a period before and after the balance sheet date to perform sales cut-off test, sampling revenue transactions to review related certificates; to confirm revenue is properly cut-off.

3. Impairment assessment of investments company accounted for under the equity method

Please refer to Note 4(17) to the parent only financial statements for the accounting policies of impairment of non-financial asset; refer to Note 6(9) to the parent company only financial statements for the details of investments accounted for under the equity method.

The Company acquired JD United (BVI) Limited and Tooku Holdings Limited, ADNY Group, Inc.; Nanjing USA, Inc. and 3Y Universal Company Limited in previous years. The net goodwill generated were NT\$ 1,108,101 thousand, NT\$ 516,078 thousand and NT\$ 176,597 thousand respectively, accounting for 7%, 3%, and 1% of the total consolidated assets as of December 31, 2022, respectively. The Company conducts impairment tests on relevant cash-generating units in accordance with the International Financial Reporting Standards. The Company assessed the recoverable amount by value in used since the fair value of related cash-generating units cannot be reliably measured. The recoverable amount was lower than the book value and an impairment loss of NT\$ 1,005,272 thousand was recognized. The carrying amount of goodwill was material to the Company, the assessment of value in used was complicated and the assumptions used by management in the cash flow forecast involved significant subjective judgment. Therefore, we considered the impairment assessment of investments accounted for under the equity method as one of the key audit matters for the year.

Independent Auditors' Report (Continued)

Our audit procedures included, but were not limited to, obtaining financial forecast information from the management, interviewing management to analyze the reasonableness of gross margin, revenue growth, overall market and economic forecast included in the financial forecast; assessing the subjective evidence, procedures and factors considered in the assessment of impairment used by management to identify indication of impairment and whether they have been consistently adopted; inquire the current situation and development of the industry, and compare the data of the same industry to confirm the reliability of the data on which the financial forecast is based, analyze the method and assumptions used by the management to calculate the value in use, and compare the difference between the customer's historical financial forecast and the actual financial forecast to evaluate the reasonableness of the cash flow; use management's experts to assist us to evaluate the relevance and rationality of the management's important assumptions (expected growth rate, market average rate of return and discount rate, etc.), including referring to companies with similar specifications to cash-generating units, assessing the rationality of key input values in calculating discount rates such as the cost of equity, company-specific risk premium, and market risk premium, and to confirm and evaluate the rationality and feasibility of major assumptions.

Other Matter

The parent company only financial statements for the year ended December 31, 2021 were audited by other certified public accountants, and the audited report with unqualified opinions and other matters was issued on March 29, 2022.

Independent Auditors' Report (Continued)

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the Audit Committee are responsible for overseeing the Company's financial reporting process.

Independent auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

Independent Auditors' Report (Continued)

As part of an audit in accordance with the generally accepted 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 parent company only parent 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 Company's internal controls.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only 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 report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report (Continued)

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the footnote disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company's investee companies accounted for under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of audit of the Company's investee companies. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 relationship 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 parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our 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.



Chen, Kuang- Hui



Kuo, Chen-Yu

For and on behalf of ShineWing CPAs

June 6, 2023

Taipei, Taiwan

Republic of China

Notice to Readers

The accompanying financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the parent only financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Roo Hsing Co., Ltd.
Parent company only balance sheets
December 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

		December 31,			
Assets	Notes	2022	%	2021	%
Current assets					
Cash and cash equivalents	6.(1)	\$ 8,456	-	\$ 107,043	1
Financial assets at amortized cost,					
current	6.(2) and 8	206,330	4	456,694	5
Accounts receivable, net	6.(3)	607	-	16,339	-
Other receivables	6.(5)	5,100	-	1,975	-
Other receivables - related parties	6.(5) and 7	533,633	11	877,272	9
Current tax assets		220	-	-	-
Inventories	6.(6)	-	-	185,254	2
Prepayments	6.(7) and 7	74,316	2	67,252	1
Non-current assets held for sale	6.(8)	155,541	3	-	-
Other current assets		510	-	872	-
		984,713	20	1,712,701	18
Non-current assets					
Investments accounted for under equity					
method	6.(9)	3,641,248	73	7,436,712	77
Property, plant and equipment	6.(10) and 8	348,921	7	436,743	5
Right-of-use asset	6.(11)	23	-	6,958	-
Intangible assets	6.(13)	2,633	-	3,652	-
Deferred tax assets	6.(29)	-	-	271	-
Prepayments for equipments		4,604	-	4,604	-
Guarantee deposits paid		22	-	13,832	-
Net defined benefit assets - non-current	6.(19)	399	-	-	-
Other non-current assets		2,762	-	2,762	-
		4,000,612	80	7,905,534	82
Total assets		\$ 4,985,325	100	\$ 9,618,235	100

(Continued on next page)

Roo Hsing Co., Ltd.
Parent company only balance sheets

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

		December 31,			
Liabilities and equity	Notes	2022	%	2021	%
Current liabilities					
Current borrowings	6.(15) and 8	\$ 200,679	4	\$ 749,744	8
Current contract liabilities	6.(23)	-	-	43	-
Notes payable	6.(16)	14,122	-	12,643	-
Accounts payable	6.(16)	457	-	13,946	-
Accounts payable – related parties	6.(16) and 7	40,228	1	39,737	-
Other payables		33,681	1	75,825	1
Other payable – related parties	7	112,852	2	27,550	-
Current tax liabilities		-	-	1,706	-
Current provisions	6.(17)	1,991	-	1,991	-
Liabilities directly related non-current					
assets held for sale	6.(8) and 7	37,443	1	-	-
Current lease liabilities	6.(11)	24	-	5,307	-
Advance receipts	7	30,725	1	-	-
Current portion of non-current					
borrowings	6.(18) and 8	120,130	2	86,562	1
Other current liabilities, others		1,912	-	1,967	-
		594,244	12	1,017,021	10
Non-current liabilities					
Long-term borrowings	6.(18) and 8	47,210	1	46,198	-
Deferred tax liabilities	6.(29)	41,699	1	258,476	4
Lease liabilities – non-current	6.(11)	-	-	1,779	-
Notes payables - non-current		-	-	3,356	-
Net defined benefits liabilities - non-current					
	6.(19)	-	-	1,357	-
Guarantee deposits received		101	-	-	-
Investments accounted for under equity					
method	6.(9)	386,606	8	363,739	4
		475,616	10	674,905	8
Total liabilities		1,069,860	22	1,691,926	18
Equity					
Ordinary share	6.(20)	8,189,149	164	8,189,149	85
Capital surplus	6.(21)	2,408,722	48	2,395,061	25
Retained earnings:	6.(22)				
Accumulated losses		(6,827,621)	(137)	(2,469,999)	(26)
Other equity interest		145,215	3	(187,902)	(2)
Total equity		3,915,465	78	7,926,309	82
Total liabilities and equity		\$ 4,985,325	100	\$ 9,618,235	100

The accompanying notes are an integral part of the parent company only financial statements.

Roo Hsing Co., Ltd.
Parent company only statement of comprehensive income

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2022	%	2021	%
Operating revenue	6.(23) and 7	\$ 470,985	100	\$ 725,037	100
Operating cost	6.(6) and 7	(449,670)	(95)	(651,416)	(90)
Gross profit from operations		<u>21,315</u>	<u>5</u>	<u>73,621</u>	<u>10</u>
Operating expenses	7				
Selling expenses		(23,366)	(5)	(34,032)	(5)
Administrative expenses		(162,963)	(35)	(204,264)	(28)
Research and development expenses		(5,381)	(1)	(6,743)	(1)
Expected credit losses		(250,659)	(53)	-	-
		<u>(442,369)</u>	<u>(94)</u>	<u>(245,039)</u>	<u>(34)</u>
Net operations loss		<u>(421,054)</u>	<u>(89)</u>	<u>(171,418)</u>	<u>(24)</u>
Non-operating income and expenses					
Other income	6.(24) and 7	28,100	6	19,909	3
Other gains and losses	6.(25) and 7	80,632	17	(38,218)	(5)
Finance costs	6.(28) and 7	(19,561)	(4)	(18,250)	(3)
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method		(4,242,140)	(901)	(1,724,696)	(238)
		<u>(4,152,969)</u>	<u>(882)</u>	<u>(1,761,255)</u>	<u>(243)</u>
Net loss before tax		<u>(4,574,023)</u>	<u>(971)</u>	<u>(1,932,673)</u>	<u>(267)</u>
Income tax benefit	6.(29)	<u>216,485</u>	<u>46</u>	<u>47,171</u>	<u>6</u>
Current net loss		<u>(4,357,538)</u>	<u>(925)</u>	<u>(1,891,502)</u>	<u>(261)</u>
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains on remeasurement of defined benefit plans		(105)	-	(323)	-
Income tax expenses related to components that will not be reclassified to profit or loss	6.(29)	<u>21</u>	<u>-</u>	<u>65</u>	<u>-</u>
		<u>(84)</u>	<u>-</u>	<u>(258)</u>	<u>-</u>
Components of the comprehensive income that will be reclassified to profit and loss:					
Financial statements translation differences of foreign subsidiaries, affiliates and joint ventures		<u>333,117</u>	<u>71</u>	<u>(35,200)</u>	<u>(5)</u>
Total other comprehensive income, net of income tax		<u>333,033</u>	<u>71</u>	<u>(35,458)</u>	<u>(5)</u>
Total comprehensive income (loss)		<u>(\$ 4,024,505)</u>	<u>(854)</u>	<u>(\$ 1,926,960)</u>	<u>(266)</u>
Earnings per share (in New Taiwan dollars)	6.(30)				
Basic earnings per share		<u>(\$ 5.32)</u>		<u>(\$ 2.31)</u>	

The accompanying notes are an integral part of the parent company only financial statements.

Roo Hsing Co., Ltd.
Parent company only statement of changes in equity

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Ordinary share	Capital surplus	Accumulated losses	Other equity interest Financial statements translation differences of foreign operation	Treasury shares	Total equity
Balance, January 1, 2021	\$ 8,200,469	\$ 2,437,183	(\$ 329,351)	(\$ 152,702)	(\$ 13,657)	\$ 10,141,942
Appropriation of prior year's retained earnings:						
Changes in equity in subsidiaries	-	(40,965)	(248,888)	-	-	(289,853)
Cancellation of treasury shares	(11,320)	(2,337)	-	-	13,657	-
Enforcement of disgorgement	-	1,180	-	-	-	1,180
	<u>8,189,149</u>	<u>2,395,061</u>	<u>(578,239)</u>	<u>(152,702)</u>	<u>-</u>	<u>9,853,269</u>
Net loss for the year	-	-	(1,891,502)	-	-	(1,891,502)
Other comprehensive income (loss)	-	-	(258)	(35,200)	-	(35,458)
Total comprehensive income (loss)	-	-	(1,891,760)	(35,200)	-	(1,926,960)
Balance, December 31, 2021	8,189,149	2,395,061	(2,469,999)	(187,902)	-	7,926,309
Changes in equity in subsidiaries	-	13,661	-	-	-	13,661
	<u>8,189,149</u>	<u>2,408,722</u>	<u>(2,469,999)</u>	<u>(187,902)</u>	<u>-</u>	<u>7,939,970</u>
Net loss for the year	-	-	(4,357,538)	-	-	(4,357,538)
Other comprehensive income (loss)	-	-	(84)	333,117	-	333,033
Total comprehensive income (loss)	-	-	(4,357,622)	333,117	-	(4,024,505)
Balance, December 31, 2022	<u>\$ 8,189,149</u>	<u>\$ 2,408,722</u>	<u>(\$ 6,827,621)</u>	<u>\$ 145,215</u>	<u>\$ -</u>	<u>\$ 3,915,465</u>

The accompanying notes are an integral part of the parent company only financial statements.

Roo Hsing Co., Ltd.
Parent company only statement of cash flows

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2022	2021
Cash flows from operating activities		
Loss before income tax for the year	(\$ 4,574,023)	(\$ 1,932,673)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	67,744	74,964
Amortization expenses	1,019	1,219
Expected credit loss	250,659	-
Interest expense	19,561	18,250
Interest income	(2,548)	(17,171)
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method	4,242,140	1,724,696
Loss on disposal of property, plant and equipment	2,381	4,690
Loss on disposal of investment accounted for using equity method	10,823	-
Gain on reversal of impairment of non-financial assets	(9,323)	-
Gain on lease modification	(40)	-
Allowance of inventory for decline in market value and obsolescence	30,027	-
Gain on foreign exchange, net	(84,644)	-
Other income	-	(103)
Provision defined benefit liabilities	-	65
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(65,883)	76,117
Decrease in accounts receivables, related parties	-	208,151
Increase in other receivables	(192,271)	(668)
Decrease (increase) in other receivable - relate parties	342,657	(64,738)
Decrease (increase) in inventories	155,227	(124)
Increase in prepayments	(7,064)	(5,609)
Decrease in other current assets	362	1,272
Increase in net defined benefit assets	(504)	-
(Decrease) increase in contract liabilities	(43)	43
Increase in notes payable	1,479	8,644
Decrease in accounts payable	(13,489)	(4,854)
Increase in accounts payable - related parties	491	1,255
Decrease in other payables	(40,193)	(9,704)
Increase in other payables - related parties	113,844	24,791
Increase in advance receipts	30,725	-
(Decrease) increase in other current liabilities, others	(55)	834
Decrease in net defined benefit liabilities	(1,357)	(839)
Cash outflows generated from operations	277,702	108,508
Interest received	3,687	17,254
Interest paid	(18,530)	(17,990)
Income taxes paid	(1,926)	(1,133)
Net cash generated from operating activities	260,933	106,639

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Roo Hsing Co., Ltd.
Parent company only statement of cash flows

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2022	2021
Cash flows from investing activities		
Decrease in financial assets at amortized cost	250,364	4,699
Acquisition of investments accounted for using equity method	(220,123)	(210,476)
Disposal of investments accounted for using equity method	13,716	-
Acquisition of property, plant and equipment	(508)	-
Disposal of property, plant and equipment	838	583
Decrease (increase) in guarantee deposits paid	13,810	(9,565)
Decrease in other receivables – related parties	-	20,942
Increase in long-term accounts receivables – related parties	-	(13,907)
Net cash flows generated from (used in) investing activities	<u>58,097</u>	<u>(207,724)</u>
Cash flows from financing activities		
(Decrease) increase in current borrowings	(496,670)	8,653
Increase in long-term borrowings	100,000	73,188
Repayment of long-term borrowings	(118,438)	(44,533)
Decrease in long-term accounts payable	(3,356)	(3,164)
Payments of lease liabilities	(4,466)	(8,479)
Increase in guarantee deposits received	101	-
Other financing activities	-	1,180
Net cash flows (used in) generated from financing activities	<u>(522,829)</u>	<u>26,845</u>
Effect of exchange rate changes on cash and cash equivalents	<u>105,212</u>	<u>-</u>
Net decrease in cash and cash equivalents	(98,587)	(74,240)
Cash and cash equivalents at beginning of year	<u>107,043</u>	<u>181,283</u>
Cash and cash equivalents at end of year	<u>\$ 8,456</u>	<u>\$ 107,043</u>

The accompanying notes are an integral part of the parent company only financial statements.

Roo Hsing Co., Ltd.

Notes to the parent company only financial statements

(Expressed in thousands of New Taiwan dollars, except as otherwise specified)

1. History and organization

Roo Hsing Co., Ltd. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (“ROC”) and approved by Ministry of Economic Affairs on November 23, 1977. The registered address is 13F-4, No.57, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan, ROC. The Company is mainly engaged in knitting, woven, cotton, wool, leather and other garments manufacturing, processing, trading and import and export business, garment accessories processing, trading and import and export business, and acting as an agent for domestic and foreign manufacturers in relation to the aforesaid bidding, quotation, procurement, distribution.

The shares of the Company were publicly listed on Taipei exchange on December 16, 1999, and then listed on the Taiwan Stock Exchange on September 6, 2004.

The shareholders meeting approved to change the name of the Group from “Roo Hsing Garment Co., Ltd.” to “Roo Hsing Co., Ltd.” on June 20, 2008. The change was approved by the Department of Commerce of the Ministry of Economic Affairs on July 20, 2008.

2. The date of authorization for issuance of the parent company only financial statements and procedures for authorization

The financial statements were approved and authorized for issuance by the Board of Directors on May 29, 2023.

3. Application of new standards, amendments and interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IAS”) and interpretations as endorsed and announced by the Financial Supervisory Commission (“FSC”).

A. IFRSs, IAS and interpretations endorsed and announced by the FSC effective from 2022 are as follows:

New standards, interpretations and amendments		
and amendments	Main amendments	IASB effective date
Reference to the Conceptual Framework (amendments to IFRS 3)	The amendments updated the definition of assets and liabilities reference to the "Conceptual Framework for Financial Reporting" issued in 2018 in respect of how an acquirer to determine what constitutes an asset or a liability during a business merger. Due to the above amendment, the amendment also an asset or a liability during a business merger. Due to the above amendment, the amendment also added an exception to the recognition principle of IFRS 3 for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. Due to the above index amendment, this amendment adds an exception to the recognition principle for liabilities and contingent liabilities. For certain types of liability and contingent liabilities, reference should be made to IAS 37 "Provisions, Contingent Liabilities and Contingent" or International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies", instead of the aforementioned "Conceptual Framework of Financial Reporting" issued in 2018. At the same time, this	January 1, 2022

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	amendment also clarifies that the acquirer shall not recognize contingent assets under IAS 37 on the acquisition date.	
Property, Plant and Equipment - Proceeds before Intended Use (amendments to IAS 16)	This amendment prohibits enterprise from deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management, such as samples produced for testing whether the asset is operating normally . The price of selling such items and the cost of production should be recognized in profit or loss. This amendment also stated that testing whether an asset is operating normally means assessing its technical and physical performance, and has nothing to do with the financial performance of the asset.	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (amendments to IAS 37)	This amendment clarifies that the cost of fulfilling the contract includes the cost directly related to the contract. The cost directly related to the contract is composed of the allocation of the incremental cost of fulfilling the contract and other costs directly related to the fulfilling of the contract.	January 1, 2022
Annual improvements - 2018-2020 cycle	(1) IFRS 1 "Subsidiary as first-time adopter" This amendment allows the subsidiaries select to adopt IFRS 1 that are exempted from	

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paragraph D16(a) of IFRS No. 1, January 1, 2022
when measuring cumulative
conversion differences, should
use the carrying amount of
cumulative conversion differences
included in the parent company's
consolidated financial statements
on the date of the parent
company's convert to IFRS. This
amendment also applies to
affiliates and joint ventures that
are exempted from paragraph
D16(a) of IFRS 1.

- (2) Amendments to IFRS 9 "Fees in
the "10%" Test for Derecognition
of Financial Liabilities"

This amendment stipulates that
the expenses that should be
included in the 10% test of
financial liabilities are excluded.
Enterprise may pay the costs or
fees to third parties or lenders.
According to this amendment, the
cost or expense paid to third
parties is not included in the 10%
test.

- (3) IAS 41 "Taxation in Fair Value
Measurements"

This amendment of IAS 41 is to
remove the requirement of using
pre-tax cash flows when
measuring the fair value of a
biological asset.

B. The Company assessed the above standards and interpretations and there is
no significant impact to the Company's financial position and financial
performance.

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

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

New standards, interpretations and amendments		
and amendments	Main amendments	IASB effective date
Disclosure of Accounting Policies (amendments to IAS 1)	This amendment requires companies to disclose information about their material significant accounting policies information, instead of their significant accounting policies. This amendment clarifies how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.	January 1, 2023
Definition of accounting estimates (amendments to IAS 8)	The amendment clarifies how an entity should distinguish between changes in accounting policies and changes in accounting estimates. The amendment also clarifies that changes in accounting estimates resulting from new information or new developments are not corrections of errors. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.	January 1, 2023
Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12)	This amendment requires the entity to recognize the relevant deferred income tax assets and liabilities for specific transactions that generate the same amount of taxable and	January 1, 2023

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deductible temporary differences at the time of original recognition.

B. The Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance.

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

A. The Company has not yet applied the following new standards and amendments issued by IASB but not yet endorsed by the FSC:

New standards, interpretations and amendments		
and amendments	Main amendments	IASB effective date
Sale or Contribution of Assets Between An Investor and Its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	This amendment addresses inconsistencies between the current IFRS 10 and IAS 28. When an investor sells (invests) assets to its affiliates or joint ventures, it is determined to recognize all or part of the disposal gains or losses depending on the nature of the assets sold (invested): (1) When the assets sold (invested) meet the "business", all disposal gains and losses shall be recognized; (2) When the assets sold (invested) do not qualify as "business", non-related investors can only recognize partial disposal of gains and losses within the scope of interests in affiliated companies or joint ventures.	To be determine by IASB
Lease Liability in a Sale and Leaseback (amendment to IFRS 16)	This amendment states how a seller-lessee applied its subsequent measurement for the related right-of-use asset and lease liabilities	January 1, 2024

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arising
from a sale and leaseback transaction,
where the lease payments are variable
lease payments that do not depend on
an index or rate; and the seller-lessee
should determine the lease payments
or revised lease payments such that
the seller-lessee does not recognize a
gain or loss that relates to the right of
use retained by the seller-lessee. And
the new sample is provided for
reference.

IFRS 17 "Insurance Contracts"

This Standard replaces IFRS 4
"Insurance Contracts" and establishes
the principles for the recognition,
measurement, presentation and
disclosure of Insurance and
reinsurance contracts that it issues by
the entities. This standard applies to
all insurance contracts (including
reinsurance contracts) that an entity
issues and to reinsurance contracts
that it holds; and investment contracts
with discretionary participation
features it issues, provided that the
entity also issues insurance contracts.
Embedded derivatives, distinct
investment components and distinct
performance obligations should be
separated from insurance contracts.
On initial recognition, each portfolio
of insurance contracts issued shall be
divided into a minimum of three
groups by the entities: onerous, no
significant possibility of becoming
onerous and the remaining contracts

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in the portfolio. This Standard requires a current measurement model where estimates are re-measured at each reporting period. Measurements are based on discounted contract and probability-weighted cash flows, risk adjustments, and the expected profit from the unearned portion of the contract (contractual service margins). An entity may apply a simplified approach to the measurement for some of insurance contracts (premium allocation approach). The entity should recognize the revenue generated by a group of insurance contract during the period when the entity provides insurance coverage and when the entity releases the risk. The entity should recognize the loss immediately, if a group of insurance contracts becomes onerous. The entity should present insurance income, insurance service fees, and insurance finance income and expenses separately and its shall also disclose the amount, judgment and risk information from the insurance contract.

Insurance Contracts (amendments to IFRS 17)

This amendment includes the deferral of effective date, the expected recovery of the cash flow obtained by insurance, the contractual service margin attributable to investment services, the reinsurance contract held, the recovery of losses and other

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	amendments. These amendments have not changed the basics of the standard in principle.	
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)	This amendment allows enterprise to choose to apply the classification overlay approach for each comparative period reported in the initial application of IFRS 17. This option allows the financial assets held by an entity, including those held in activities that are not linked to contracts within the scope of IFRS 17, on an instrument-by-instrument basis, based on how they expect to classify these financial assets in the comparative period when IFRS 9 is initially applied. Entities that have applied IFRS 9 or will apply both IFRS 9 and IFRS 17 for the first time may choose to apply the classification overlay approach.	January 1, 2023
Classification of Liabilities as Current or Non-current (amendments to IAS 1)	This amendment clarifies that the classification of liabilities is based on the rights existing at the end of the reporting period. At the end of the reporting period, the enterprise does not have the right to defer the settlement period of liabilities for at least 12 months after the reporting period, and the liabilities should be classified as current. In addition, this amendment defines "settlement" of a liability is the extinguishment of the liability with cash or other economic resources or the enterprise's own equity instruments. The terms of the	January 1, 2024

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	liability may result in the settlement of the liability by transferring the company's own equity instruments, only if the enterprise has the right to classify an equity instrument as an equity component of a compound financial instrument. These terms do not affect the classification of the liability as current or non-current.	
Non-current Liabilities with Covenants (amendments to IAS 1)	This amendment clarifies that the contractual terms to which an entity is bound after the end of the reporting period do not affect the classification of liabilities as current or non-current. In addition, this amendment increases the disclosure of non-current liabilities subject to terms.	January 1, 2024

B. The Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the parent company only financial statements are set out below.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the financial assets at fair value through other comprehensive income are measured by financial instruments measured at fair value and defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation, the

accompanying parent company only financial statements have been prepared under the historical cost basis.

B. The following significant accounting policies applied consistently to all periods of coverage of the parent company only financial statements.

C. The preparation of financial statements in accordance with IFRSs, IAS and interpretations as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency transactions

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency translation and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured, except for those that comply with cash flow hedging and net investment hedging and are deferred to other comprehensive gains and losses. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(B) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are

translated using the historical exchange rates at the dates of the initial transactions.

B. Translation of foreign operations

(A) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognized in other comprehensive income.

(B) When the foreign operation partially disposed of or sold as a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(C) The goodwill and fair value adjustments arising from the acquisition of foreign entities are regarded as the assets and liabilities of the foreign entity and translated at the closing exchange rate at the date of that balance sheet.

(4) Classification current and non-current item

A. Assets that meet one of the following criteria are classified as current assets

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;

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

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

The Company classified its assets that do not meet above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities

(A) Liabilities that are expected to be paid off within the normal operating cycle;

(B) Liabilities arising mainly from trading activities;

(C) Liabilities that are to be paid off within twelve months from the balance sheet date; or

(D) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classified its liabilities that do not meet above criteria as non-current liabilities.

(5) Cash and cash equivalents

A. For the purpose of the statements of cash flows, cash and cash equivalents consists of cash on hand, cash in bank, short-term, highly liquid investments, which were within three months of maturity when acquired, and repayable bank overdraft, as part of the cash management. Bank overdraft items listed under current borrowings in current liabilities on the balance sheet.

B. Cash equivalents refer to short-term, highly liquid investments that also meet the following conditions:

(A) Readily convertible to known amount of cash.

(B) Subject to an insignificant risk of changes in interest rates.

(6) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(A) The aim of the Company's business model is achieved by collecting contractual cash flows.

(B) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way of purchase or sales, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

(7) Notes and accounts receivable

A. In accordance with terms and conditions of the contracts, entitle a legal right to unconditionally receive consideration in exchange of notes and receivables for transferred goods or rendered services.

B. Short-term notes and accounts receivable without bearing interest are measured at initial invoice amount by the Company as effect of discounting is immaterial.

(8) Impairment of financial assets

On each balance sheet date, the Company's investment in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost, and accounts receivable or contractual assets, lease receivables, loan commitments and financial guarantee contracts with significant financial components, after considering all reasonable and

corroborative information (including forward-looking), the loss allowance is measured on the 12-month expected credit losses for those who have not significantly increased the credit risk since the initial recognition. For those who have significantly increased the credit risk since the initial recognition, the loss allowance is measured by the expected credit losses during the period of existence; the accounts receivable or contract assets that do not contain significant financial components are measured by the lifetime expected credit loss.

(9) Derecognition of financial assets

The Company derecognizes a financial asset when:

- A. The contractual rights to receive the cash flows from the financial asset expired.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Leasing arrangements as lessor - Lease receivables/lease

- A. Based on the term of a lease contract, a lease is classified as finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(A) At commencement of the lease term, a finance lease should be recorded as a receivable, at an amount equal to the total investment (including original direct costs) in the lease. The difference between total lease receivables and present value should be recorded as 'unearned finance lease income'.

(B) The lessor should recognize finance income based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

(C) Associated lease payments (excluding service costs) offset the total investment in the lease during the period would reduce the principal and unearned finance income.

B. Lease income from an operating lease (net of any incentives given to lessee) is recognized in profit and loss on a straight-line basis over the lease term.

(11) Inventories

Inventories are valued at lower of cost and net realizable value, and the cost is determined by using the weighted-average method. The cost of work in progress includes raw materials, direct labor, and other direct costs and fixed manufacturing overhead based on normal production capacity, but excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

(12) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(13) Investments accounted for under the equity method

A. Affiliated enterprises refer to all the companies that the company has a significant influence on, and usually directly or indirectly hold more than 20% of its shares with voting rights. The Company adopts the equity method to deal with the investment in affiliated enterprises, and recognizes it at cost when acquired.

- B. After the acquisition of the affiliated enterprises, the Company recognizes proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss in the affiliated enterprises equals or exceeds the carrying amount of the Company's interest in that affiliated enterprises (including any other unsecured receivables), the Company discontinues to recognizing the further loss of the affiliated company, unless the Company has a statutory obligation, a constructive obligation, or has paid on behalf of the affiliated enterprises.
- C. The Company's changes in equity interests in affiliated enterprises that did not lead to loss of control, deemed as equity transactions between owners.
- D. Unrealized gains on transactions between the Company and its affiliated enterprises are eliminated to the extent of the Company's interest in the affiliated enterprises. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- E. When the Company disposes its investment in affiliated enterprises and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over these affiliated enterprises, the amounts previously recognized in other comprehensive income in relation to the affiliated enterprises are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future

economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of the following assets:

Buildings	1~55	years
Machinery and equipment	1~8	years
Office and other equipment	1~50	years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include:

- (A) Fixed payments, less any lease incentives receivable;
- (B) Variable lease payments that depend on an index or a rate;
- (C) Amounts expected to be payable by the lessee under residual value guarantees;
- (D) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (E) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

C. At the commencement date, the right-of-use asset is recognized at cost, includes:

- (A) The initial measured amount of the lease liability; and
- (B) Any lease payments made at or before the commencement date.
- (C) Any initial direct costs incurred by the lessee; and
- (D) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use assets is measured using the cost model subsequently and is depreciated from the commencement date to the earlier of the end of the

asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Intangible assets

The cost of computer software is amortized on a straight-line basis over the estimated useful life of 3 to 5 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

- A. Borrowings refer to the non-current and current loans borrowed from the bank and other long-term and short-term loans. The Company initially recognizes the borrowings at fair value less transaction cost, any subsequent difference between the price and the redemption value after deducting the transaction cost, during the circulation period, the interest expense is recognized in profit or loss by using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is an evidence that it is probable that some or all of the facility will not be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(19) Notes and accounts payable

- A. Accounts payable refer to debts arising from purchase of goods or services and notes due to operation and non-operation.
- B. Short-term notes and accounts payable without bearing interest are measured at initial invoice amount by the Company as effect of discounting is immaterial.

(20) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

- a. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- b. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- c. Past service costs are recognized immediately in profit or loss.

C. Termination benefit

Termination benefit is offered when the Company terminates the employee's contract before normal retirement date or when the employee decides to accept the Company's offer of benefits instead of the termination of the contract. The Company recognizes the cost at the earlier of when the offer of benefits is no longer withdrawable or when recognizing related significant cost component. Benefits that are not expected to be paid off 12 months after the balance sheet date shall be discounted.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are

different from the actual distributed amounts as resolved by the shareholders at their shareholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operated and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulation. It establishes provisions where appropriated based on the amounts expected to be paid to the tax authorities. According to the Income Tax Law, an additional income tax is levied on current year earnings that remain undistributed by the end of the following year after shareholdings' meeting; and recognized as income tax expenses.
- C. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or

the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

- F. “Income Basic Tax Act” began effective on January 1, 2006, the amount of basic income shall be the sum of the taxable income as calculated in accordance with the Income Tax Act, plus any related tax exempted income included in other laws with the rate prescribed by the Executive Yuan. Current income tax shall pay according to whichever is higher compared between the basic income and regular income tax. The Company assessed the impact of the basic income tax on the parent company only financial statements for current period income tax.

(23) Revenue recognition

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

A. Sales of goods

- (A) The Company manufactures and sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is high unit price equipment and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Company estimates where the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.
- (B) The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

B. Rendering of services

(A) The Company provides processing and washing services. Such services are separately priced or negotiated, and provided based on contract periods. As the Company provides the services over the contract period, the customers simultaneously receive and consume the benefits provided by the Company. Accordingly, the performance obligations are satisfied over time and the related revenue are recognized by straight-line method over the contract period.

(B) Most of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities. The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

(24) Operating segments

The Company has disclose its segments information in the consolidation financial statements, therefore no segments information disclosed in the parent company only financial statements.

(25) Earnings per shares

The Company presents basic and diluted earnings per share ("EPS") data for its common stocks. Basic EPS is calculated by dividing the net income attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the statement of income attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(26) Dividends

Dividends are recorded in the Company's financial statement in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of the parent company only financial statement requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Assessment of impairment of tangible assets

In the process of impairment assessment on assets, the Company needs to rely on subjective judgment, and based on the pattern of assets used and industry characteristics to determine the independent cash flow of a specific group of assets, the years of useful lives of asset, and possible future gains and losses. Any changes in estimation due to changes in economic conditions or the strategy of the Company may result in a material impairment in the future.

On December 31, 2022, the book value of property, plant and equipment recognized by the Company after the impairment loss was \$348,921 thousand.

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid changes in technology, the Company assesses the value of inventory on the balance sheet date due to normal wear and tear, obsolescence, or no market sales value, and writes down the cost of inventory to the net realizable value. This inventory evaluation is mainly based on the estimated demand on product in a specific period in the future, therefore, there might be material changes to the evaluation.

As of December 31, 2022, the Company's carrying amount of inventories is \$0.

6. Details of significant accounts

(1) *Cash and cash equivalents*

	December 31,	
	2022	2021
Cash on hand and working capital	\$ 582	\$ 3,081
Checking accounts and demand deposits	7,874	103,962
Total	<u>\$ 8,456</u>	<u>\$ 107,043</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, therefore the probability of counterparty default is remote. The Company's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Company did not pledge its cash and cash equivalents.

(2) *Financial assets measured at amortized cost*

	December 31,	
	2022	2021
Demand deposits restricted for use	\$ 206,330	\$ 196,502
Time deposits	-	260,192
Total	<u>\$ 206,330</u>	<u>\$ 456,694</u>

A. The trading parties of the Company are the financial institutions such as banks etc. with good credit grades and are considered to have no significant credit risk. Therefore, as of December 31, 2022 and 2021, the allowance for doubtful accounts measured by the expected credit loss rate is 0%, and the amount is \$0 thousand, respectively.

B. Information relating to credit risk, please refer to Note 12 (2).

C. Information for guarantees provided by financial assets measured at amortized cost, please refer to Note 8.

(3) *Notes and accounts receivable*

	December 31,	
	2022	2021
Accounts receivable	\$ 82,222	\$ 16,339
Accounts receivable - related parties	-	-
Less: allowance for doubtful accounts	(81,615)	-
Total	<u>\$ 607</u>	<u>\$ 16,339</u>

A. The Company grants an interest free and average credit term of 30-90 days to its customer accounts.

B. The Company's maximum exposure to credit risk at December 31, 2022 and 2021 was the carrying amount of each class of accounts receivable.

C. The Company's aging analysis of notes and accounts receivable is as follows:

	December 31,	
	2022	2021
Not past due	\$ 295	\$ 16,294
Past due less than 90 days	23	45
Past due 91 - 180 days	289	-
Past due over 181 days	81,615	-
Total	<u>\$ 82,222</u>	<u>\$ 16,399</u>

D. The Company measures the allowance for doubtful notes and accounts receivable by using the provision matrix is as follows:

December 31, 2022	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	-	\$ 295	\$ -	\$ 295
Past due less than 90 days	-	23	-	23
Past due 91 - 180 days	-	289	-	289
Past due over 181 days	100%	81,615	(81,615)	-
Total		<u>\$ 82,222</u>	<u>(\$ 81,615)</u>	<u>\$ 607</u>

December 31, 2021	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	-	\$ 16,294	\$ -	\$ 16,294
Past due less than 90 days	-	45	-	45
Past due 91 - 180 days	-	-	-	-
Past due over 181 days	50%~100%	-	-	-
Total		<u>\$ 16,339</u>	<u>\$ -</u>	<u>\$ 16,339</u>

E. For the accounts receivable arising from the transaction between the Company and Product Source Group, LLC., 100% of allowance for doubtful accounts has been provided due to the low possibility of recovery.

F. The movement in the provision for impairment of accounts receivable is as follows:

	Accounts receivable
At January 1, 2022	\$ -
Addition for the current year	78,452
Exchange differences	3,163
At December 31, 2022	<u>\$ 81,615</u>

G. Information relating to credit risk, please refer to Note 12(2).

(4) Transfer of financial assets

Derecognition of part of transferred financial assets

The Company has signed contracts for factoring accounts receivable without recourse and accounts receivable with partially recourses with financial institutions. Not only the Company has transferred the contractual rights of

collecting cash from the accounts receivables without recourse, but also bear no credit risk of uncollectible accounts receivable (except for commercial disputes) according to the contract, which meets the requirements of derecognition of financial assets. Transaction related information is as follows:

December 31, 2022				
Transferee	Total amount transferred	Sales consideration	Amount paid	Interest rate range
Standard Chartered Bank				4.9155%~
(Hong Kong) Limited	\$ 8,457	\$ 8,457	\$ 8,457	5.7555%

(5) *Other receivables*

	December 31,	
	2022	2021
Other receivable	\$ 232,442	\$ 204,785
Other receivable - related parties	533,633	877,272
Less: allowance for doubtful accounts	(227,342)	(202,810)
Total	<u>\$ 538,733</u>	<u>\$ 879,247</u>

A. The movement in the provision for impairment of other receivable is as follows:

	Other receivable	
At January 1, 2022	\$	202,810
Additions for current year		172,207
Write-off due to uncollectible	(	164,457)
Exchange differences		16,782
At December 31, 2022	<u>\$</u>	<u>227,342</u>
At January 1, 2021	\$	207,241
Additions for current year		-
Exchange differences	(	4,431)
At December 31, 2021	<u>\$</u>	<u>202,810</u>

B. Information relating to credit risk, please refer to Note 12(2).

(6) *Inventories*

	December 31,	
	2022	2021
Raw materials and supplies	\$ -	\$ 47,618
Work in process	73,084	144,049
Finished goods	-	24,374
Merchandise	-	12,270
Less: allowance for decline in market value and obsolescence	(73,084)	(43,057)
Total	<u>\$ -</u>	<u>\$ 185,254</u>

A. The recognition of expense or losses related to inventory is as follows:

	For the year ended December 31,	
	2022	2021
Cost of sales	\$ 419,643	\$ 622,838
Impairment losses	30,027	28,578
Total	<u>\$ 449,670</u>	<u>\$ 651,416</u>

B. None of the above inventories are pledged.

(7) *Prepayments*

	December 31,	
	2022	2021
Prepayment for purchases	\$ 62,697	\$ 47,848
Overpaid sales tax	10,208	8,997
Prepaid expenses	703	2,415
Others	708	7,992
Total	<u>\$ 74,316</u>	<u>\$ 67,252</u>

(8) *Non-current assets held for sale*

A. Category of assets held for sale and disposal:

	December 31, 2022
Cash and cash equivalents	\$ 1,036
Other receivables	21,848
Prepayments	36
Property, plant and equipment	132,324
Refundable deposits	297
Total	<u>\$ 155,541</u>

B. Liabilities directly related to non-current assets held for sale:

	December 31, 2022
Other payables	\$ 35,437
Guarantee deposits received	2,006
Total	<u>\$ 37,443</u>

C. In order to revitalize assets and enrich working capital, the Company passed the resolution of the board of directors on June 16, 2022 to dispose the equity of its subsidiary, Operadora Internacional de Zonas Francas (Managua), S.A. The buyer is confirmed and the sale is to be completed within one year, the book value of its assets and liabilities that is \$155,541 thousand and \$37,443 thousand, respectively was transferred to the non-current assets held for sale and the liabilities directly related to the non-current assets held for sale, respectively.

(9) *Investments accounted for under equity method*

Investees companies	December 31,			
	2022		2021	
	Amount	% of ownership	Amount	% of ownership
Investments in subsidiaries:				
Roo Hsing Garment Co., Ltd.	\$ 209,546	100.00	(\$ 186,187)	100.00
Roo Hsing Co. Nicaragua, S.A.	8,557	100.00	(1,489)	100.00
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	112,248	100.00	132,490	100.00
Operadora Internacional de Zonas Francas (Managua), S.A.	-	100.00	138,931	100.00
Fain Tei Enterprise Company Ltd. (BVI)	(357,677)	100.00	(176,063)	100.00
Roo Hsing Garment Manufacturing Co., Ltd.	(28,929)	100.00	14,882	100.00
Intelligence Silicon Technology Co., Ltd.	-	100.00	869	100.00
Tien Yun Tech Storage Co., Ltd.	561,185	84.30	546,611	89.58
RH International Holdings Limited	2,749,712	100.00	6,633,081	100.00
Xynergy Semiconductor Corporation Limited	-	100.00	848	100.00
RH Global Investment Limited	-	-	-	-
Subtotal	<u>3,254,642</u>		<u>7,103,973</u>	
Add: credit balance of investments accounted for under equity method	386,606		363,739	
Less: accumulated impairments	-		(31,000)	
Total	<u>\$ 3,641,248</u>		<u>\$ 7,436,712</u>	

A. The basic information of the associates that are significant to the Company is as follows:

Company name	Principal place of business	Methods of measurement
Roo Hsing Garment Co., Ltd.	Cambodia	Equity method
Roo Hsing Co. Nicaragua, S.A.	Nicaragua	Equity method
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	El Salvador	Equity method
Operadora Internacional de Zonas Francas (Managua), S.A.	Nicaragua	Equity method
Fain Tei Enterprise Company Ltd. (BVI)	British Virgin Islands	Equity method
Roo Hsing Garment Manufacturing Co., Ltd.	Myanmar	Equity method
Intelligence Silicon Technology Co., Ltd.	Taipei, Taiwan	Equity method
Tien Yun Tech Storage Co., Ltd.	Taipei, Taiwan	Equity method
RH International Holdings Limited	British Virgin Islands	Equity method
Xynergy Semiconductor Corporation Limited	Hong Kong	Equity method

(A) The Company passed the resolution of the board of directors on June 16, 2022 to dispose of the equity of its subsidiary, Operadora Internacional de Zonas Francas (Managua), S.A., and completed the delivery of equity on February 20, 2023.

(B) The Company authorized the chairman to determine the increase of the capital in the amount of US\$2,042,429 for Fain Tei Enterprise Company Ltd. (BVI) in 2019, per “Process of Property Acquisition and Disposal”. The amount of capital increased from US\$13,744,414 to US\$15,786,843 and the number of shares issued increased from 13,794,414 shares to 15,836,843 shares. The Company increased capital in the amount of US\$500,000 in 2020, the amount of capital was US\$16,286,843 and the number of shares issued was 16,336,843 shares. As of December 31 2022, the amount of capital was NT\$491,420 thousand.

(C) The Company increased capital in the amount of US\$300,000 for Roo Hsing Garment Manufacturing Co., Ltd. on October 9, 2019. As of December 31, 2022, the amount of capital was US\$4,271,600 (approximately NT\$128,495 thousand).

(D) The Company invested and incorporated Intelligence Silicon Technology Co., Ltd. on January 26, 2018. The Company authorized the chairman to determine to increase capital in the amount of \$5,000 thousand on October 23, 2019, per “Process of Property Acquisition and Disposal”. The Company’s board of directors approved on June 22, 2020 to increase capital in the amount of \$2,000 thousand, and the Company’s board of directors approved on January 13, 2021 to increase capital in the amount of \$1,000 thousand. The Company’s board of directors approved on September 24, 2021 to change the Chinese name of Intelligence Silicon Technology Co., Ltd. On February 23, 2022, the board of directors approved a capital increase of \$1,000 thousand. On September 28, 2022, the chairman approved the disposal of the equity of Intelligence Silicon Technology Co., Ltd; and on October 21, 2022, signed a contract of equity transfer to sell together Xynergy Semiconductor Corporation Limited; the total transaction price was \$7,500 thousand plus US\$ 200 thousand, and the loss on this disposal was \$10,823 thousand.

(E) The Company’s board of directors approved on June 28, 2019, to purchase 1,320,000 ordinary shares from the specific trading party in the amount of \$43,996 thousand, per “Process of Property Acquisition and Disposal”. The Company held 46.5% of shares of Ten Win Business International Co., Ltd. Nevertheless, the Company had more than half of the board members, to decide the main operating activities of Ten Win Business International Co., Ltd. with controlling interest. The preferred stock liabilities converted in February 2020, and the remaining held 40.04% of shares of Ten Win Business International Co., Ltd. The Company purchased 1,840,000 ordinary shares of Ten Win Business International Co., Ltd. in the amount of \$61,272 thousand and held 59.85% of the shares in August, 2020. In November 2020, the Company purchased 1,000,000 ordinary shares of Ten Win Business International Co., Ltd. in amount of \$33,000 thousand, held 70.61% of the shares. In December 2020, the Company purchased 718,572 ordinary shares of Ten Win Business International Co., Ltd. in the amount of \$23,713 thousand, held 78.35% of shares of Ten Win Business International Co., Ltd. The preferred stock liabilities converted in November, 2021, representing

89.58% of shares held of Ten Win Business International Co., Ltd. On January 18, 2022, Ten Win Business International Co., Ltd. changed its name to Tien Yun Tech Storage Co., Ltd. by the resolution of the board of directors. In January 2022, due to the conversion of preferred stock liabilities, the remaining shareholding was 85.17%. In August 2022, due to the conversion of preferred stock liabilities, the remaining shareholding was 84.30%.

(F) The Company invested and incorporated RH International Holdings Limited on June 17, 2020, and transferred MF Holding Co., Ltd. to RH International Holdings Limited in June 2020. In addition, on September 15, 2021, the resolution was passed by the board of directors, in order to improve investment efficiency and to carry out the group organization restructuring plan. As of December 31, 2021, the subsidiary RH International Holdings Limited directly holds its subsidiaries Tooku Holdings Limited and JD United (BVI) Limited, and RH International Holdings Limited also jointly holds JD United with JD United (BVI) Limited (Cayman) Limited. In the first quarter of 2022, the subsidiaries Tooku Holdings Limited and MF Holding Co., Ltd. were directly held by the subsidiary, JD United (Cayman) Limited. °

(G) The Company invested and incorporated Xynergy Semiconductor Corporation Limited on September 7, 2020. On September 28, 2022, the chairman approved to dispose of the equity of the subsidiary Xynergy Semiconductor Corporation Limited, and on October 21, 2022 signed the contract of equity transfer to sell together Intelligence Silicon Technology Co. Ltd.; the total transaction price was \$7,500 thousand plus US\$ 200 thousand, and the loss on this disposal was \$10,823 thousand. °

B. The summarized financial information of the associates that are significant to the Company is as follows:

Balance sheet

		Roo Hsing Garment Co., Ltd.	
		December 31	
		2022	2021
Current assets	\$	777,982	\$ 234,942
Non-current assets		3,969	100,053
Current liabilities	(	572,405)	(521,182)
Total net assets	\$	209,546	(\$ 186,187)
Share of net assets of the associate	\$	209,546	(\$ 186,187)
Goodwill		-	-
Carrying amount of the associate	\$	209,546	(\$ 186,187)
		Roo Hsing Co. Nicaragua, S.A.	
		December 31	
		2022	2021
Current assets	\$	24,257	\$ 33,482
Non-current assets		307	9,765
Current liabilities	(	16,007)	(44,736)
Total net assets	\$	8,557	(\$ 1,489)
Share of net assets of the associate	\$	8,557	(\$ 1,489)
Goodwill		-	-
Carrying amount of the associate	\$	8,557	(\$ 1,489)

Roo Hsing Garment Co., El Salvador, S.A. DEC.V.		
December 31		
	2022	2021
Current assets	\$ 113,374	\$ 26,342
Non-current assets	-	107,164
Current liabilities	(1,126)	(338)
Non-current liabilities	-	(678)
Total net assets	<u>\$ 112,248</u>	<u>\$ 132,490</u>
Share of net assets of the associate	\$ 112,248	\$ 132,490
Goodwill	-	-
Carrying amount of the associate	<u>\$ 112,248</u>	<u>\$ 132,490</u>

Operadora Internacional de Zonas Francas (Managua), S.A.		
December 31		
	2022	2021
Current assets	\$ 33,795	\$ 18,282
Non-current assets	133,980	125,539
Current liabilities	(7,569)	(3,022)
Non-current liabilities	(2,073)	(1,868)
Current assets	<u>\$ 158,133</u>	<u>\$ 138,931</u>
Share of net assets of the associate	\$ 158,133	\$ 138,931
Goodwill	-	-
Carrying amount of the associate	<u>\$ 158,133</u>	<u>\$ 138,931</u>

Fain Tei Enterprise Company Ltd. (BVI)		
December 31		
	2022	2021
Current assets	\$ 15,158	\$ 72,990
Non-current assets	-	(44,288)
Current liabilities	(372,835)	(204,765)
Total net assets	(\$ 357,677)	(\$ 176,063)

Share of net assets of the associate	(\$ 357,677)	(\$ 176,063)
Goodwill	-	-
Carrying amount of the associate	(\$ 357,677)	(\$ 176,063)

Roo Hsing Garment Manufacturing Co., Ltd.		
December 31		
	2022	2021
Current assets	\$ 67,352	\$ 44,360
Non-current assets	9,697	42,984
Current liabilities	(101,316)	(62,247)
Non-current liabilities	(4,662)	(10,215)
Total net assets	(\$ 28,929)	\$ 14,882

Share of net assets of the associate	(\$ 28,929)	\$ 14,882
Goodwill	-	-
Carrying amount of the associate	(\$ 28,929)	\$ 14,882

Intelligence Silicon Technology Co.. Ltd.		
December 31		
	2022	2021
Current assets	\$ -	\$ 521
Non-current assets	-	396
Current liabilities	-	(48)
Total net assets	\$ -	\$ 869
Share of net assets of the associate	\$ -	\$ 869
Goodwill	-	-
Carrying amount of the associate	\$ --	\$ 869

Tien Yun Tech Storage Co., Ltd.		
December 31		
	2022	2021
Current assets	\$ 5,519	\$ 2,913
Non-current assets	344,005	344,988
Current liabilities	(1,684)	(36,832)
Non-current liabilities	(764)	(720)
Total net assets	<u>\$ 347,076</u>	<u>\$ 310,349</u>

Share of net assets of the associate	\$ 347,076	\$ 278,011
Goodwill	-	268,600
Carrying amount of the associate	<u>\$ 347,076</u>	<u>\$ 546,611</u>

RH International Holdings Limited		
December 31		
	2022	2021
Current assets	\$ 218,545	\$ -
Non-current assets	2,760,832	6,716,546
Current liabilities	(6,096)	(425)
Non-current liabilities	(223,569)	(83,040)
Total net assets	<u>\$ 2,749,712</u>	<u>\$ 6,633,081</u>

Share of net assets of the associate	\$ 2,749,712	\$ 6,633,081
Goodwill	-	-
Carrying amount of the associate	<u>\$ 2,749,712</u>	<u>\$ 6,633,081</u>

Xynergy Semiconductor Corporation Limited		
December 31		
	2022	2021
Current assets	\$ -	\$ 848
Total net assets	<u>\$ -</u>	<u>\$ 848</u>
Share of net assets of the associate	\$ -	\$ 848
Goodwill	-	-
Carrying amount of the associate	<u>\$ -</u>	<u>\$ 848</u>

Statement of comprehensive income

Roo Hsing Garment Co., Ltd.		
For the year ended December 31,		
	2022	2021
Revenue	\$ 208,322	\$ 434,177
Net income (loss) for the year	401,616	(18,632)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	401,616	(18,632)
Dividends received from the associate	\$ -	\$ -

Roo Hsing Co. Nicaragua, S.A.		
For the year ended December 31,		
	2022	2021
Revenue	\$ 12,921	\$ 153,086
Net income (loss) for the year	9,854	(7,415)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	9,854	(7,415)
Dividends received from the associate	\$ -	\$ -

Roo Hsing Garment Co., El Salvador, S.A. DEC.V.		
For the year ended December 31,		
	2022	2021
Revenue	\$ 3,871	\$ 18,690
Net loss for the year	(33,534)	(3,315)
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	(33,534)	(3,315)
Dividends received from the associate	\$ -	\$ -

	Operadora Internacional de Zonas Francas (Managua), S.A.	
	For the year ended December 31,	
	2022	2021
Revenue	\$ 16,020	\$ 7,900
Net income (loss) for the year	3,856	(15,698)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	3,856	(15,698)
Dividends received from the associate	\$ -	\$ -

	Fain Tei Enterprise Company Ltd. (BVI)	
	For the year ended December 31,	
	2022	2021
Revenue	\$ -	\$ 153,086
Net loss for the year	(170,904)	(148,920)
Other comprehensive (loss) income, net of tax	(10,710)	10,890
Total comprehensive loss for the year	(181,614)	(138,030)
Dividends received from the associate	\$ -	\$ -

	Roo Hsing Garment Manufacturing Co., Ltd.	
	For the year ended December 31,	
	2022	2021
Revenue	\$ -	\$ 98,740
Net loss for the year	(45,405)	(10,212)
Other comprehensive loss, net of tax	-	(7,516)
Total comprehensive loss for the year	(\$ 45,405)	(\$ 17,728)
Dividends received from the associate	\$ -	\$ -

Intelligence Silicon Technology Co., Ltd.	
For the year ended December 31,	
	2022
	2021
Revenue	\$ -
Net loss for the year	- (1,156)
Other comprehensive income, net of tax	-
Total comprehensive loss for the year	\$ - (\$ 1,156)
Dividends received from the associate	\$ -

Tien Yun Tech Storage Co., Ltd.	
For the year ended December 31,	
	2022
	2021
Revenue	\$ 4,121
Net income (loss) for the year	1,088 (20,755)
Other comprehensive income, net of tax	-
Total comprehensive income (loss) for the year	\$ 1,088 (\$ 20,755)
Dividends received from the associate	\$ -

RH International Holdings Limited	
For the year ended December 31,	
	2022
	2021
Revenue	\$ -
Net loss for the year	(4,424,907) (1,190,334)
Other comprehensive income, net of tax	322,416 13,940
Total comprehensive loss for the year	(\$ 4,102,491) (\$ 1,176,394)
Dividends received from the associate	\$ -

Xynergy Semiconductor Corporation Limited		
For the year ended December 31,		
	2022	2021
Revenue	\$ -	\$ 684
Net income for the year	-	578
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	\$ -	\$ 578
Dividends received from the associate	\$ -	\$ -

(10) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office and other equipment	Total
<u>Cost</u>					
At January 1, 2022	\$ 84,267	\$ 26,964	\$ 435,446	\$ 20,874	\$ 567,551
Additions	-	-	-	508	508
Disposals	-	-	(16,357)	(10,669)	(27,026)
At December 31, 2022	<u>\$ 84,267</u>	<u>\$ 26,964</u>	<u>\$ 419,089</u>	<u>\$ 10,713</u>	<u>\$ 541,033</u>
At January 1, 2021	\$ 84,267	\$ 26,964	\$ 435,446	\$ 20,926	\$ 567,603
Additions	-	-	-	5,400	5,400
Disposals	-	-	-	(5,452)	(5,432)
At December 31, 2021	<u>\$ 84,267</u>	<u>\$ 26,964</u>	<u>\$ 435,446</u>	<u>\$ 20,874</u>	<u>\$ 567,551</u>
<u>Accumulated depreciation and impairment</u>					
At January 1, 2022	\$ -	\$ 11,113	\$ 108,077	\$ 11,618	\$ 130,808
Depreciation	-	1,511	60,020	1,903	63,434
Impairment	-	-	21,618	59	21,677
Disposals	-	-	(16,357)	(7,450)	(23,807)
At December 31, 2022	<u>\$ -</u>	<u>\$ 12,624</u>	<u>\$ 173,358</u>	<u>\$ 6,130</u>	<u>\$ 192,112</u>
At January 1, 2021	\$ -	\$ 9,601	\$ 45,871	\$ 9,076	\$ 64,548
Depreciation	-	1,512	62,206	2,721	66,439
Disposals	-	-	-	(179)	(179)
At December 31, 2021	<u>\$ -</u>	<u>\$ 11,113</u>	<u>\$ 108,077</u>	<u>\$ 11,618</u>	<u>\$ 130,808</u>
<u>Net book value</u>					
At December 31, 2022	<u>\$ 84,267</u>	<u>\$ 14,340</u>	<u>\$ 245,731</u>	<u>\$ 4,583</u>	<u>\$ 348,921</u>
At December 31, 2021	<u>\$ 84,267</u>	<u>\$ 15,851</u>	<u>\$ 327,369</u>	<u>\$ 9,256</u>	<u>\$ 436,743</u>

For details of property, plant and equipment pledged as collateral, please refer to Note 8.

(11) *Leasing arrangements as lessee*

A. The leased assets by the Company are buildings, transportations and office equipment with the lease period usually ranges from one to five years. Lease contracts are negotiated individually and contain a variety of terms and conditions with no other restrictions imposed.

B. The carrying amounts of the right-of-use asset and the depreciation expense recognized are as follows:

		For the year ended December		For the year ended December	
	December 31, 2022	31, 2021	December 31, 2022	31, 2021	
	Carrying amount	Depreciation	Carrying amount	Depreciation	
Buildings	\$ -	\$ 3,035	\$ 3,035	\$ 6,071	
Transportation equipment	-	1,244	3,869	2,407	
Office equipment	23	31	54	47	
Total	<u>\$ 23</u>	<u>\$ 4,310</u>	<u>\$ 6,958</u>	<u>\$ 8,525</u>	

C. Lease liabilities

	December 31,	
	2022	2021
Current	\$ 24	\$ 5,307
Non-current	-	1,779
Total	<u>\$ 24</u>	<u>\$ 7,086</u>

D. Movements in right-of-use asset were as follows:

	Buildings	Transportation equipment	Office equipment	Total
January 1, 2022	\$ 3,035	\$ 3,869	\$ 54	\$ 6,958
Depreciation	(3,035)	(1,244)	(31)	(4,310)
Lease modification	-	(2,625)	-	(2,625)
December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</u>

	Buildings	Transportation equipment	Office equipment	Total
January 1, 2021	\$ 19,450	\$ 2,322	\$ 101	\$ 21,873
Additions	-	3,954	-	3,954
Depreciation	(6,071)	(2,407)	(47)	(8,525)
Disposals	(10,344)	-	-	(10,344)
December 31, 2021	<u>\$ 3,035</u>	<u>\$ 3,869</u>	<u>\$ 54</u>	<u>\$ 6,958</u>

E. The increase of the Company's right-of-use assets in 2022 and 2021 was \$0 and \$3,954 thousand, respectively.

F. The items affecting profit or loss related to the lease contracts are recognized as follows:

Items affecting profit or loss	For the year ended December 31,	
	2022	2021
Interest expense on lease liabilities	(\$ 69)	(\$ 370)
Expense on short-term lease contracts	(\$ 455)	(\$ 1,602)

G. The total cash outflows for the leases of the Company in 2022 and 2021 amounted to \$4,466 thousand and \$8,479 thousand, respectively.

(12) Leasing arrangements as lessor

A. The underlying assets leased by the Company are buildings, which are classified as operating leases because barely any of the risks and rewards attached to the ownership of the underlying assets have been transferred.

B. The Company recognized the rental income from operating lease contracts of \$2,070 thousand and \$216 thousand in 2022 and 2021 respectively, of which none of the rental income were recognized as variable lease payments.

(13) Intangible assets

	December 31,	
	2022	2021
Computer software	<u>\$ 2,633</u>	<u>\$ 3,652</u>

	<u>Computer software</u>
<u>Cost</u>	
At January 1, 2022	\$ 13,261
Additions	-
At December 31, 2022	<u>\$ 13,261</u>
At January 1, 2021	\$ 13,261
Additions	-
At December 31, 2021	<u>\$ 13,261</u>
	<u>Computer software</u>
<u>Amortization and impairment</u>	
At January 1 2021	\$ 9,609
Amortization	1,019
At December 31 2021	<u>\$ 10,628</u>
At January 1 2021	\$ 8,390
Amortization	1,219
At December 31 2021	<u>\$ 9,609</u>
<u>Net carrying amount</u>	
At December 31,2022	<u>\$ 2,633</u>
At December 31,2021	<u>\$ 3,652</u>

(14) Impairment of non-financial assets

In 2022 and 2021, the Company's property, plant and equipment recognized impairment losses of \$21,677 thousand and \$0 thousand, respectively.

	<u>For the year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Recognized in profit and loss</u>		
Impairment loss		
Machinery and equipment	\$ 21,618	\$ -
Other equipment	59	-
	<u>\$ 21,677</u>	<u>\$ -</u>

(15) *Current borrowings*

	December 31,	
	2022	2021
Unsecured bank loans	\$ -	\$ 240,000
Secured bank and finance company loans	-	300,000
Secured borrowings	200,000	-
Letter of credit	679	209,744
Total	<u>\$ 200,679</u>	<u>\$ 749,744</u>
Interest rate range (%)	<u>2.426%~4.1756%</u>	<u>1.15%~2.55%</u>

For details of collateral of current borrowings, please refer to Note 8.

(16) *Notes and accounts payable*

	December 31,	
	2022	2021
Notes payable	\$ 14,122	\$ 12,643
Accounts payable	457	13,946
Accounts payable – related parties	40,228	39,737
Subtotal	40,685	53,683
Total	<u>\$ 54,807</u>	<u>\$ 66,326</u>

(17) *Provisions*

	Provisions for employee benefits
At January 1, 2021	\$ 1,991
Used during the year	-
At December 31, 2021	1,991
Addition during the year	-
At December 31, 2022	<u>\$ 1,991</u>

Analysis of provisions was as follow:

	December 31,	
	2022	2021
Current	<u>\$ 1,991</u>	<u>\$ 1,991</u>

(18) Long-term borrowings

Details of long-term borrowings as of December 31, 2022 and 2021 are as follows:

Lenders	December 31, 2022	Interest rate (%)	Maturity date and terms of repayment
Chang Hwa Commercial Bank, Ltd.	\$ 3,989	2.5	Repayable monthly from July 16, 2020 to July 16, 2023, in 36 monthly installments. Interest is paid monthly.
Taiwan Business Bank Co., Ltd.	10,153	2.47	Repayable monthly from June 20, 2020 to June 20, 2023, in 36 monthly installments. Interest is paid monthly in the first 12 installments. From the 13th installment, interest and principal is paid monthly with the annuity method.
Taiwan Business Bank Co., Ltd.	49,774	2.525	Repayable monthly from March 17 20, 2022 to September 17, 2023, in 18 monthly installments. Interest is paid monthly in the first 6 installments. From the 7th installment, interest and principal is paid monthly with the annuity method.
Taiwan Cooperative Bank Co., Ltd.	18,544	2.47	Repayable monthly from November 13, 2020 to November 13, 2023, in 36 installments. Interest is paid monthly in the first 12 installments. From 13th installment, interest and principal is paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	1,850	2.47	Repayable monthly from November 18, 2020 to November 18, 2023, in 36 installments. Interest paid monthly in the first 12 installments. From 13th installment, interest and principal is paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	3,030	2.47	Repayable monthly from December 9, 2020 to December 9, 2023, in 36 installments. Interest paid monthly in the first 12 installments. From 13th installment, interest and principal is paid monthly with annuity method.

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Lenders	December 31, 2022	Interest rate (%)	Maturity date and terms of repayment
Taiwan Cooperative Bank Co., Ltd.	80,000	2.801	Repayable monthly from February 25, 2022 to February 25, 2025. Interest paid monthly in the first 12 installments. From 13th installment, interest and principal is paid monthly with annuity method.
Subtotal	167,340		
Less: non-current borrowings expired within an operating cycle	(120,130)		
Total	\$ 47,210		

Lenders	December 31, 2021	Interest rate (%)	Maturity date and terms of repayment
Chang Hwa Commercial Bank, Ltd.	\$ 10,705	2.00	Repayable monthly from July 16, 2020 to July 16, 2023, in 36 monthly installments. Interest is paid monthly
Taiwan Business Bank Co., Ltd.	30,138	1~1.84	Repayable monthly from June 20, 2020 to June 20, 2023, in 36 monthly installments. Interest is paid monthly in the first 12 installments. From the 13th installment, interest and principal is paid monthly with the annuity method.
Taiwan Cooperative Bank Co., Ltd.	38,362	1.84	Repayable monthly from November 13, 2022 to November 13, 2023, in 36 monthly installments. Interest is paid monthly in the first 12 installments. From the 13th installment, interest and principal is paid monthly with the annuity method.
Taiwan Cooperative Bank Co., Ltd.	3,835	1.00	Repayable monthly from November 18, 2020 to November 18, 2023, in 36 monthly installments. Interest is paid monthly in the first 12 installments. From the 13th installment, interest and principal is paid monthly with the annuity method.

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Lenders	December 31, 2021	Interest rate (%)	Maturity date and terms of repayment
Taiwan Cooperative Bank Co., Ltd.	6,000	1.50	Repayable monthly from December 9, 2020 to December 9, 2023, in 36 monthly installments. Interest is paid monthly in the first 12 installments. From the 13th installment, interest and principal is paid monthly with the annuity method.
Chailease Specialty Finance Co., Ltd.	43,720	2.75	Repayable monthly from March 10, 2021 to March 10, 2023, in 24 monthly installments. Interest is paid monthly.
Subtotal	132,760		
Less: non-current borrowings expired within an operating cycle	(86,562)		
Total	<u>\$ 46,198</u>		

A. Repayment deadline of above borrowings is as follow:

Due by	Amount
December 31, 2023	\$ 120,130
December 31, 2024	40,371
December 31, 2025	6,839
Total	<u>\$ 167,340</u>

B. For details of collateral of non-current borrowings, please refer to Note 8.

(19) Pensions

A. Defined contribution plan

(A) The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employee's monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

The Company recognized expenses of the defined contribution plan for the years ended December 31, 2022 and 2021 were \$1,940 thousand and \$2,815 thousand, respectively.

B. Defined benefit plans

(A) The Company has a defined benefit pension plan in accordance with the Labor Standards Law. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly with an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustees, under the name of the independent retirement fund committee.

As of December 31, 2022 and January 1, 2021, the Company recognized the defined benefit plan expenses of \$9 thousand and \$0 thousand, respectively.

(B) The amounts recognized in the balance sheet were determined as follows:

	December 31,	
	2022	2021
Present value of funded obligations	(\$ 3,228)	(\$ 5,206)
Fair value of plan assets	3,627	3,849
Net defined benefit assets	<u>\$ 399</u>	<u>(\$ 1,357)</u>

(C) Reconciliations of assets (liabilities) of the defined benefit plan are as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit assets (liabilities)
At January 1, 2021	(\$ 4,822)	\$ 2,948	(\$ 1,874)
Current period service cost	-	-	-
Net interest (expenses) income	(11)	5	(6)
Subtotal	(11)	5	(6)
Remeasurements of the net defined benefit assets /liabilities:			
Actuarial gains and losses arising from changes in demographic assumptions	(121)	-	(121)
Actuarial gains and losses arising from changes in financial assumptions	88	-	88
Experience adjustments	(340)	50	(290)
Subtotal	(373)	50	(323)
Payment of benefit obligation	-	-	-
Contributions by employer	-	846	846
At December 31 2021	(5,206)	3,849	(1,357)
Current period service cost	-	-	-
Net interest (expenses) income	(36)	27	(9)
Subtotal	(36)	27	(9)
Remeasurements of the net defined benefit assets /liabilities:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	174	-	174
Experience adjustments	(564)	285	(279)
Subtotal	(390)	285	(105)
Payment of benefit obligation	2,404	(2,404)	-
Contributions by employer	-	1,870	1,870
At December 31 2021	(\$ 3,228)	\$ 3,627	\$ 399

(D) The principal actuarial assumptions used were as follows:

	For the year ended December 31,	
	2022	2021
Discount rate	1.30%	0.69%
Future salary increases	2.50%	2.50%
Expected return on plan assets	1.30%	0.69%

(E) Sensitivity analysis for significant assumption is shown below:

	For the year ended December 31			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.25%	\$ -	\$ 40	\$ -	\$ 73
Discount rate decreases by 0.25%	41	-	74	-
Future salary increases by 0.25%	32	-	59	-
Future salary decreases by 0.25%	-	32	-	60

The sensitivity analysis above is based on a change in a significant assumption (for example, a change in the discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous year.

(F) Estimated contributions to the defined benefit pension plans of the Company within one year from December 31, 2022 amounting to \$138 thousand.

(20) Share Capital

A. As of December 31, 2022, the Company's authorized capital was \$15,000,000 thousand with par value of \$10 per share. As of December 31, 2022 and 2021, total paid-in capital and issuance share were \$8,189,149 thousand and

818,915 thousand shares, respectively. All shares are ordinary shares.

B. Treasury shares

Resolved by the Company's board of directors on January 20, 2021, the Company cancelled 1,132 thousand overdue untransferred treasury shares, with an average price of \$12.06 per share, for a total of \$13,657 thousand. The base date for the capital reduction was on January 20, 2021. The capital reduction and the capital reserve reduction amounted to \$11,320 thousand, and \$2,337 thousand, respectively.

As of December 31, 2022 and 2021, the Company's treasury stocks were both \$0, and the number of shares is 0 shares, respectively.

(21) Capital surplus

	December 31,	
	2022	2021
Ordinary shares premium	\$ 1,913,073	\$ 1,913,073
Conversion premium for transferring corporate bond	435,961	435,961
Treasury stock transactions	40,148	40,148
Recognition of changes in equities in subsidiary	13,661	-
Recognition of changes in the net equity value of affiliated companies and joint ventures using the equity method	4,485	4,485
Stock options	206	206
Others	1,188	1,188
Total	<u>\$ 2,408,722</u>	<u>\$ 2,395,061</u>

Pursuant to the ROC Company Act, capital surplus arising from paid-up capital in excess of par value on issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act of ROC requires that the amount of capital surplus to be capitalized

mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(22) *Retained earnings*

A. Legal reserve

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

B. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (A) Payment of all taxes and dues;
- (B) Offset prior years operation losses;
- (C) Set aside 10% as legal reserve;
- (D) Set aside or reverse special reserve in accordance with law and regulations; and
- (E) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholder's meeting.

The dividend policy of the Company shall be determined pursuant to factors such as the investment environment, funding requirements, domestic and overseas competitive landscape and its capital expenditure forecast, as well as stockholders' interest, balancing dividends and the Company's long-term financial planning. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. Cash dividends shall not exceed 50% of total dividends.

C. The Company passed the resolution of the board of directors on May 29, 2023 that no surplus will be distributed due to losses in 2022. In addition, on June 29, 2022, the company passed a resolution at the shareholders' general meeting that no surplus will be distributed due to losses in 2021.

D. For details of information on employee's compensation and directors and supervisors' remuneration, please refer to Note 6(26).

(23) Operating revenue

	For the year ended December 31,	
	2022	2021
Revenue from customer contracts		
Sale of goods	\$ 401,767	\$ 657,099
Other operating revenues	69,218	67,938
Total	<u>\$ 470,985</u>	<u>\$ 725,037</u>

A. Revenue from customer contracts

	For the year ended December 31,	
	2022	2021
Sale of goods	\$ 401,767	\$ 657,099
Rendering of services	69,218	67,938
	<u>\$ 470,985</u>	<u>\$ 725,037</u>
Timing of revenue recognition		
Revenue recognized at a point in time	<u>\$ 470,985</u>	<u>\$ 725,037</u>

B. Contracts liabilities

	December 31,	
	2022	2021
Contracts liabilities		
Sales of merchandise	<u>\$ -</u>	<u>\$ 43</u>

The Company's major changes in the balances of contract liabilities in 2022 and 2021 are explained as follows:

	For the year ended December 31,	
	2022	2021
Beginning balance transferred to income	(\$ 43)	\$ -
Increase in advance receipts in the current period (excludes new advance receipts that are transferred to income in the current year)	-	43

(24) *Other income*

	For the year ended December 31,	
	2022	2021
Interest income		
Bank savings	\$ 909	\$ 1,208
Other interest income	1,639	2,057
	<u>2,548</u>	<u>3,265</u>
Financial assets at fair value through profit or loss	-	13,907
Rental income	2,070	216
Other income - other	23,482	2,521
Total	<u>\$ 28,100</u>	<u>\$ 19,909</u>

(25) *Other gains and losses*

	For the year ended December 31,	
	2022	2021
Gains (losses) on disposal of property, plant and equipment	(\$ 2,381)	(\$ 4,690)
Loss on disposal of investments	(10,823)	-
Foreign exchange gains (losses), net	84,644	(28,854)
Impairment losses on property, plant and equipment	(21,677)	-
Gains from lease modifications	40	-
Gains on reversal of impairment losses	31,000	-
Other non-operating losses	(171)	(4,674)
Total	<u>\$ 80,632</u>	<u>(\$ 38,218)</u>

(26) *Additional disclosures related to cost of revenues and operating expenses are as follows:*

For the year ended December 31,						
	2022			2021		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefit expenses	\$ -	\$ 67,013	\$ 67,013	\$ 1,100	\$ 88,985	\$ 90,085
Depreciation expenses	1,168	66,576	67,744	2,337	72,627	74,964
Amortization expenses	-	1,019	1,019	-	1,219	1,219

(27) *Employee benefit expenses*

For the year ended December 31,		
	2022	2021
Wages and salaries	\$ 54,900	\$ 72,684
Director's remuneration	5,125	6,300
Labor and health insurance contribution	3,597	5,863
Pension costs	1,949	2,815
Other personnel expenses	1,442	2,423
Total	<u>\$ 67,013</u>	<u>\$ 90,085</u>

A. According to the Articles of Incorporation, if the company is profitable in current year, no lower than 5% of the profit of the current year is distributable as employees' compensation and 2% of the profit of the current year is distributable as remuneration to directors and supervisors. However, if the company is still in accumulated loss, such loss shall have been covered. The Company may, by a resolution adopted by a majority votes at a meeting of the board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, report of such distribution to the shareholders' meeting.

B. The compensation to employees were determined by the profit of the year. In 2022 and 2021, the employees' compensation and directors' remuneration of the parent company were both \$0.

The number of share dividend is calculated based on the closing price of the day before the resolution being made by the board and after considering the effect of ex-rights. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts by the board of directors,

the differences are recorded in profit and loss in the subsequent year.

C. Please refer to Market Observation Post System for more information on the resolution related to the appropriation of distributable earnings as employees' compensation and directors' remuneration of the Company's board of directors' meeting.

(28) *Finance costs*

	For the year ended December 31,	
	2022	2021
Interest expenses		
Bank loans	\$ 17,143	\$ 17,880
Lease liabilities	69	370
Other loans	2,182	-
Others	167	-
Total	<u>\$ 19,561</u>	<u>\$ 18,250</u>

(29) *Income tax*

A. Income tax expense

(A) Components of income tax expense:

	For the year ended December 31,	
	2022	2021
Current income tax for the year		
Adjustments for prior periods	\$ -	\$ 3,931
Deferred tax		
Relating to origination and reversal of temporary differences	(216,485)	(45,102)
Income tax benefit	<u>(\$ 216,485)</u>	<u>(\$ 41,171)</u>

(B) The income tax benefit relating to components of other comprehensive income is as follows:

	For the year ended December 31,	
	2022	2021
Remeasurement of the defined benefit plan	(\$ 21)	(\$ 65)

B. Reconciliation between income tax benefit and income before income tax:

	For the year ended December 31,	
	2022	2021
Income before income tax	(\$ 4,574,023)	(\$ 1,456,789)
Income tax expense at statutory rate	(914,805)	(291,358)
Tax effect of adjusting items		
Permanent differences	882,913	249,762
Income tax impact of unrecognized deferred tax assets	(184,593)	(361)
Adjustments for prior years	-	786
Income tax expense (benefit)	(\$ 216,485)	(\$ 41,171)

C. Details of deferred income tax assets (liabilities) are as follows:

	For the year ended December 31, 2022			
		Recognized in	Recognized in	At
	At January 1	profit or loss	other comprehensive income	December 31
Deferred tax assets				
Net defined benefit liabilities	\$ 271	(\$ 292)	\$ 21	\$ -
Deferred tax liabilities				
Fair value adjustments arising from business combinations	(258,476)	216,857	-	(41,619)
Net defined benefit assets	-	(80)	-	(80)
Total	\$ -	\$ 216,777	\$ -	(\$ 41,699)

For the year ended December 31, 2021				
			Recognized in other comprehensive income	At December 31
	At January 1	Recognized in profit or loss		
Deferred tax assets				
Net defined benefit				
liabilities	\$ 836	(\$ 630)	\$ 65	\$ 271
Deferred tax liabilities				
Fair value				
adjustments arising				
from business				
combinations	(\$ 304,207)	\$ 45,731	\$ -	(\$ 258,476)

D. The details of unrecognized deferred tax assets were as follow:

For the year ended December 31,			
	2022	2021	
Loss carry forward			
Expired in 2025	\$ 37,794	\$ 37,794	
Expired in 2026	10,495	10,495	
Expired in 2027	95,976	95,976	
Expired in 2028	11,451	11,451	
Expired in 2030	2,830	2,830	
Expired in 2031	41,971	42,400	
Expired in 2032	24,614	-	
	225,131	200,946	
Deductible temporary differences			
Unrealized loss on investments	-	6,200	
Inventories	14,617	12,239	
Allowance for doubtful accounts	57,638	40,249	
Property, plant and equipment	1,985	-	
Unrealized exchange gains and losses	(6,154)	(108)	
	68,086	58,580	
Total	\$ 293,271	\$ 259,526	

E. The Company's income tax returns through 2021 have been assessed by the tax authority.

(30) Earnings per share

The calculation of earnings per share and weighted average number of common stock is as follows:

For the year ended December 31, 2022		
	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
Amount after tax		
<u>Basic earnings per share</u>		
Loss attributable to common shareholders	(\$ 4,357,538)	818,915 (\$ 5.32)

Diluted earnings per share

None.

For the year ended December 31, 2021		
	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
Amount after tax		
<u>Basic earnings per share</u>		
Loss attributable to common shareholders	(\$ 1,891,502)	818,915 (\$ 2.31)

Diluted earnings per share

None.

(31) Changes in liabilities from financing activities

The reconciliation of the Company's liabilities from financing activities is as follows:

	January 1, 2022	Cash flow	Other non-cash	December 31, 2022
Current borrowings	\$ 749,744	(\$ 496,670)	(\$ 52,395)	\$ 200,679
Lease liabilities	7,086	(4,466)	(2,596)	24
Non-current borrowings (including current portion)	132,760	(18,438)	53,018	167,340
Guarantee deposits received	-	101	-	101
Liabilities from financing activities	<u>\$ 889,590</u>	<u>(\$ 519,473)</u>	<u>(\$ 1,973)</u>	<u>\$ 368,144</u>

	January 1, 2021	Cash flow	Other non-cash	December 31, 2021
Current borrowings	\$ 741,091	\$ 4,462	\$ 4,191	\$ 749,744
Lease liabilities	22,058	(8,478)	(6,494)	7,086
Non-current borrowings (including current portion)	104,105	28,655	-	132,760
Liabilities from financing activities	<u>\$ 867,254</u>	<u>\$ 24,639</u>	<u>(\$ 2,303)</u>	<u>\$ 889,590</u>

7. Related party transactions

The transaction details between the Company and related parties are disclosed as follows:

(1) Name of related parties and relationship

Name	Relationship
Roo Hsing Garment Co., Ltd.	Subsidiary
Roo Hsing Co. Nicaragua, S.A.	Subsidiary
Roo Hsing Garment Co., El Salvador, S.A. DEC.V.	Subsidiary
Roo Hsing Garment Manufacturing Co., Ltd.	Subsidiary
Fain Tei Enterprise Company Ltd. (BVI)	Subsidiary
Hung Hsing Garment (Cambodia) Co., Ltd.	Subsidiary
Roo Hsing Shanghai Import & Export Co., Ltd.	Subsidiary
Intelligence Silicon Technology Co., Ltd.	Subsidiary
Operadora Internacional de Zonas Francas (Managua), S.A.	Subsidiary
Nanjing USA, Inc.	Subsidiary
J.D. United Trading Corporation Limited	Subsidiary
JD United (BVI) Limited	Subsidiary
Changzhou Tooku Garments Co., Ltd.	Subsidiary
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Subsidiary
Nagapeace Corporation Limited	Subsidiary
Tanzania Tooku Garments Co., Ltd.	Subsidiary
Tien Yun Tech Storage Co., Ltd.	Subsidiary
Tien Le Shan Business Co., Ltd.	Subsidiary (related party since June 21, 2021)
JD United Holdings Limited	Substantive related party
Well & David Corp.	Substantive related party
Wei Hao Investment Limited	Director of the Company (Note 1)
Hen Shing Li Feng Co., Ltd.	Common key managerial personnel (Note 2)
HNY investment Co., Ltd.	Common key managerial personnel
Zijinniu Investment Limited	Common key managerial personnel (Note 2)
Mr. Zhang Shuijiang	Director of the Company
Mr. Chen Shixiu	Chairman of the Company (dismissed on November 21, 2021)

Name	Relationship
Mr. Ji Zongming	General manager of the Company
Mr. Sun Zhen	Director of a subsidiary of the company
Mr. Hsu Chung-Jung	Chief accountant of the Company
Mr. Yang Yingzu	General manager of the Company's subsidiary (resigned on April 30, 2022)
Mr. Fei, Qian	Director of the Company's subsidiary
Mr. Yao, Ji	Director of the Company's subsidiary
Borja Trenor Casanova	Director of the Company's subsidiary
Miss Ke, Wen-Qing	Substantive related party
Mr. Wu, Bin	Substantive related party

Note 1: On August 2, 2022, due to the transfer of shares exceeding half of the shares held at the time of election, he will be automatically dismissed according to law.

Note 2: On August 2, 2022, no longer the related party since the key managerial personnel was not the same person

(2) *Significant related party transactions and balances:*

A. Sales revenue

	For the year ended December 31,	
	2022	2021
J.D. United Trading Co., Ltd.	\$ 36,672	\$ --
Hung Hsing Garment (Cambodia) Co., Ltd.	26,793	25,201
Nagapeace Corporation Limited	20,940	19,696
Tanzania Tooku Garments Co., Ltd.	18,743	17,630
Roo Hsing Garment Co., Ltd.	2,286	6,639
Total	<u>\$ 105,434</u>	<u>\$ 69,166</u>

B. Service revenue

	For the year ended December 31,	
	2022	2021
Subsidiaries	<u>\$ -</u>	<u>(\$ 1,228)</u>

C. Purchases

	For the year ended December 31,	
	2022	2021
Subsidiaries	\$ -	\$ 2,677
Substantive related party	-	26
Total	<u>\$ -</u>	<u>\$ 2,703</u>

The Company's purchases from related parties are in accordance with general market conditions, and its payment terms are comparable to other suppliers.

D. Rental income

	For the year ended December 31,	
	2022	2021
Subsidiaries	\$ 48	\$ 78
Other related parties	69	136
Total	<u>\$ 117</u>	<u>\$ 214</u>

E. The manufacturing and operating expenses paid by the Company to related parties were as follows:

	For the year ended December 31,	
	2022	2021
Overhead - processing charges		
Roo Hsing Garment Co., Ltd.	<u>\$ 142,297</u>	<u>\$ 242,163</u>
Operating expenses - service fees		
J.D. United Trading Co., Ltd.	<u>\$ 4,717</u>	<u>\$ 9,788</u>

F. Other revenue

	For the year ended December 31,	
	2022	2021
J.D. United Trading Co., Ltd.	<u>\$ -</u>	<u>\$ 2,018</u>

G. Other expense

	For the year ended December 31,	
	2022	2021
JD United (BVI) Limited	\$ 164,457	\$ -
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	-	130
Total	<u>\$ 164,457</u>	<u>\$ 130</u>

H. Interest income

	For the year ended December 31,	
	2022	2021
Tien Yun Tech Storage Co., Ltd.	\$ -	\$ 13,907
J.D. United Trading Co., Ltd.	1,621	2,036
Total	<u>\$ 1,621</u>	<u>\$ 15,943</u>

I. Interest expenses

	For the year ended December 31,	
	2022	2021
Subsidiaries	\$ 2,179	\$ -
Other related parties	11	-
Total	<u>\$ 2,190</u>	<u>\$ -</u>

J. Other receivables due from related parties

	December 31,	
	2022	2021
Roo Hsing Garment Co., Ltd.	\$ 417,656	\$ 411,652
J.D. United (BVI) Limited	-	164,457
J.D. United Trading Co., Ltd.	21,216	113,981
Hung Hsing Garment (Cambodia) Co., Ltd.	77,478	44,882
Tanzania Tooku Garments Co., Ltd.	8,031	32,007
Changzhou Tooku Garments Co., Ltd.	-	11,309
Nagapeace Corporation Limited	3,681	26,848
Other subsidiaries	5,571	2,508
Total	<u>\$ 533,633</u>	<u>\$ 807,644</u>

K. Financing provided to related parties (recognized as other receivables due from related parties)

	For the year ended December 31, 2021			
	Maximum balance	Ending balance	Interest rate (%)	Interest receivable
Subsidiary:				
J.D. United Trading Co., Ltd.	<u>\$ 86,085</u>	<u>\$ 68,646</u>	2.28~2.30	<u>\$ 982</u>

L. Prepayments

	December 31,	
	2022	2021
Hung Hsing Garment (Cambodia) Co., Ltd.	\$ 62,697	\$ -
Fain Tei Enterprise Company Ltd.(BVI)	-	47,848
Total	<u>\$ 62,697</u>	<u>\$ 47,848</u>

M. Accounts payable to related parties

	December 31,	
	2022	2021
Nagapeace Corporation Limited	\$ 39,094	\$ 35,236
J.D. United Trading Co., Ltd.	1,134	4,180
Changzhou Guangzhou Manchuria Trading Co., Ltd.	-	321
Total	<u>\$ 40,228</u>	<u>\$ 39,737</u>

N. Other payables to related parties

	December 31,	
	2022	2021
J.D. United Trading Co., Ltd.	\$ 3,120	\$ 12,375
Fain Tei Enterprise Company Ltd. (BVI)	15,042	15,000
Changzhou Guangzhou Manchuria Trading Co., Ltd.	-	175
Total	<u>\$ 18,612</u>	<u>\$ 27,550</u>

O. Financing provided from related parties

(A) Other payables- related parties

For the year ended December 31, 2022					
	Maximum balance	Ending balance	Interest rate range	Interest payables	Interest expenses
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	\$ 89,366	\$ 89,366	3.629%~ 5.724%	\$ 1,377	\$ 1,392
Tien Yun Tech Storage Co., Ltd.	3,900	3,900	2.15%~ 2.275%	47	47
		<u>\$ 93,266</u>		<u>\$ 1,424</u>	<u>\$ 1,439</u>

(B) Liabilities directly related to non-current assets held for sale

For the year ended December 31, 2022					
	Maximum balance	Ending balance	Interest rate range	Interest payables	Interest expenses
Operadora Internacional de Zonas Francas (Managua), S.A.	\$ 30,710	<u>\$ 30,710</u>	3.177%~ 6.451%	<u>\$ 745</u>	<u>\$ 740</u>

P. Advance receipts

	December 31,	
	2022	2021
Subsidiaries	<u>\$ 14</u>	<u>\$ -</u>

Q. The Companies' entrustment of holding shares in subsidiaries is as follows:

	December 31, 2022		December 31, 2021	
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	Mr. Hsu, Chung-Jung	1 share	Mr. Hsu, Chung-Jung	1 share
Roo Hsing Co. Nicaragua, S.A.	Mr. Hsu, Chung-Jung	2 shares	Mr. Hsu, Chung-Jung	2 shares
	Miss Ke, Wen-Qing	1 share	Mr. Yang, Ying-Tsu	1 share
Operadora Internacional de Zonas Francas (Managua), S.A.	Mr. Hsu, Chung-Jung	23 shares	Mr. Hsu, Chung-Jung	23 shares
	Miss Ke, Wen-Qing	1 share	Mr. Yang, Ying-Tsu	1 share
Roo Hsing Garment Manufacturing Co., Ltd.	Mr. Chien, Fei	1 share	Mr. Chien, Fei	1 share
S.H. United Co., Ltd.	Mr. Chien, Fei	1 share	Mr. Chien, Fei	1 share
South Bay Manufacturing Company Limited	Mr. Chien, Fei	1 share	Mr. Chien, Fei	1 share
Tanzania Tooku Garments Co., Ltd.	Mr. Ji, Yao	1 share	Mr. Ji, Yao	1 share
	Borja Trenor Casanova	1 share	Mr. Wu, Bin	1 share

(A) Chairman Mr. Zhang Shuijiang and Chairman Mr. Chen Shixiu (dismissed on November 21, 2021) and the general manager of the Company are joint guarantors for some bank loans of the Company.

(B) Please refer to Note 13(1), Table 2 for more information about endorsement and guarantee provided to related parties.

R. Key management personnel compensation

	For the year ended December 31,	
	2022	2021
Short-term employee benefits	\$ 20,181	\$ 30,171
Post-employment benefits	4,574	385
Total	<u>\$ 24,755</u>	<u>\$ 30,556</u>

8. Pledge of assets

Pledged assets	Purposes	Carrying amount	
		December 31,	
		2021	2020
Current financial assets at amortized cost	Short-term loans and customs duty guarantee	\$ 206,330	\$ 456,694
Property, plant and equipment			
Lands	Short-term loans	84,267	84,267
Buildings	Short-term loans	14,340	15,851
Refundable deposits	Long-term loans	-	10,500
Total		<u>\$ 304,937</u>	<u>\$ 567,312</u>

As of December 31, 2022, the Company pledges the land of its subsidiary, Tien Yun Tech Storage Co., Ltd. as a guarantee for long-term borrowings.

9. Significant contingent liabilities and unrecognized commitments

Amounts available under unused letters of credit as of December 31, 2022 and 2021 is \$0 thousand and \$41,210 thousand, respectively.

10. Significant disaster loss

None.

11. Significant events after the balance sheet date

In order to revitalize assets and enrich working capital, the Company passed the resolution of the board of directors on June 16, 2022 to dispose the equity of its subsidiary, Operadora Internacional de Zonas Francas (Managua), S.A. ad an equity sale and purchase agreement was signed on June 23, 2022. The total consideration was US\$5,000 thousand, and the delivery of equity was completed on February 20, 2023.

12. Others

(1) Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders by reduction of capital, issue new shares or sell assets to reduce debt.

Debt-to-assets ratio is as follows:

	December 31,	
	2022	2021
Total liabilities	\$ 1,069,860	\$ 1,691,926
Total assets	\$ 4,985,325	\$ 9,618,235
Debt-to-assets ratio	22%	18%

(2) Financial instruments

A. Financial instruments by category

	December 31,	
<u>Financial assets</u>	2022	2021
Financial assets at amortized cost		
Cash and cash equivalents	\$ 8,456	\$ 104,012
Financial assets at amortized cost -		
current	206,330	456,694
Accounts receivables	607	16,339
Other receivable (including related parties)	538,733	879,247
Refundable deposits	22	13,832
	<u>\$ 754,148</u>	<u>\$ 1,470,124</u>

<u>Financial liabilities</u>	December 31,	
	2022	2021
Financial liabilities at amortized cost		
Current borrowings	\$ 200,679	\$ 749,744
Notes payable	14,122	12,643
Accounts payable (including related parties)	40,685	53,683
Other payable (including related parties)	146,533	103,375
Non-current borrowings (including current portion)	167,340	132,760
	<u>\$ 569,359</u>	<u>\$ 1,052,205</u>
Lease liabilities (including current portion)	<u>\$ 24</u>	<u>\$ 7,086</u>

B. Financial risk management objectives and policies

The Company's financial instruments include notes receivable, accounts receivable, other receivables, other financial assets, guarantee deposits paid, bank borrowings, notes payable, accounts payable and other payables. Risk management is coordinated by the Company's finance department by entering domestic and international financial market operations and responsible to monitor and manage the financial risk according to the degree of risk and evaluating the breadth analysis of risk exposure. Such risk includes market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to reduce the risk by employing a risk management and to analyze, identify and evaluate the related financial risks that potentially expose adverse effects on the Company. The Company has a relevant plan to hedges the adverse factors of financial risk.

(A) Market risk

Market risk is arising from movements in market prices, such as foreign exchange risk and interest rate risk that affecting the Company's earnings or financial instruments held by the Company. The objective of market risk management is to control the market risk exposure within affordable range and to optimize the return on investment.

The major markets risks undertake by the Company's operation are foreign exchange risk, interest rate risk and equity price risk. In practice, a movement by a single change in risk variables is rare, hence change in risk variables are always interrelated. The following sensitivity analysis did not consider the interaction of related risks variables.

a. Exchange risk

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. For some foreign currencies, forward foreign exchange contracts are used to manage exchange rate risks. Based on the aforementioned natural hedge and the management of exchange rate risks by means of forward foreign exchange contracts does not meet the requirements of hedging accounting, therefore, the hedging accounting is not adopted. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars and EUR. The information of the sensitivity analysis is as follows:

- (a) When NTD strengthens/weakens against USD by 1%, the loss for the years ended December 31, 2022 and 2021 is increased/decreased by \$5,810 thousand and \$6,569 thousand, respectively.
- (b) When NTD strengthens/weakens against EUR by 1%, the loss for the years ended December 31, 2022 and 2021 is increased/decreased by \$0 thousand and \$113 thousand, respectively.

b. Interest rate risk

The Company's interest rate risk arises from borrowing. Borrowing with the floating interest rate exposes the Company to change in fair value risk and cash flow risk. The Company by maintaining an appropriate combination of floating rates to manage interest rate risk. The Company assesses its hedging activities on a regular basis to ensure hedging strategies are established consistently between interest rate and risk preferences and in most cost-effective manner.

The Company's exposure on financial liabilities rate risk is described in this Note for liquidity risk management below.

Sensitivity analysis

The following sensitivity analysis is based on interest rate risk exposure on the non-derivative instruments at the closing date of the reporting period. Regarding the liabilities with variable interest rates, the following analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest

rate increase or decrease by 1% when key management report internally, which also represents the management of the Company's assessment on the reasonably possible interval of the interest rate change.

If the interest rate has increased or decreased by 1% with other variables held constant, the net profit before tax would have increased or decreased by \$4 thousand and \$17 thousand for the years ended December 31, 2022 and 2021, respectively, which would be mainly resulted from the Company's borrowing with variable interest rate.

(B) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by counterparties on the contract obligations. The Company's credit risk is attributable to its operating activities (mainly notes and accounts receivables) and financial activities (mainly bank deposits and various financial instruments).

Each unit of the Company follows credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all counterparties is based on factors such as the financial position, the rating of the credit rating agency, historical trading experience, the current economic environment and the Company's internal rating criteria etc. The Company also uses certain credit enhancement tools (such as advance receipts from customers and insurance etc.) at an appropriate time to reduce the credit risk of counterparties.

As of December 31, 2022, and 2021 accounts receivables from top ten customers represent 100% and 100% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivables is insignificant.

The finance department of the Company manages the credit risk of bank deposits, fixed income securities and other financial instruments in accordance with the Company's policies. The trading parties of the Company are determined by internal control procedures such as the

banks with good credit financial institutions with investment grades, corporate organizations and government agencies are considered to have no significant credit risk.

(C) Liquidity risk

Liquidity risk refers to risk when the Company is unable to settle its financial liabilities by cash or other current financial assets and failure to fulfill obligations associated with existing operations.

The Company manages its liquidity risk by maintaining adequate cash and cash equivalents in order to cope and mitigate the effects of the Company's operating cash flow fluctuations. The Company's management oversight banking facilities usage and ensure the terms of the loan agreement are followed.

The table below analyses the Company's non-derivative financial liabilities based on the remaining period to the contractual maturity date during the agreed repayment period and in accordance with the possible earliest required date of repayment. The financial liabilities in below table are prepared by undiscounted cash flows.

	December 31, 2022				
	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total of undiscounted cash flows
<u>Non-derivative financial liabilities</u>					
Current borrowings	\$ 200,679	\$ -	\$ -	\$ -	\$ 200,679
Notes payable	14,122	-	-	-	14,122
Accounts payable (includes related parties)	40,685	-	-	-	40,685
Other payables (includes related parties)	146,533	-	-	-	146,533
Provisions – current	1,991	-	-	-	1,991
Lease liabilities	24	-	-	-	24
Non-current borrowings (includes current portion)	120,130	47,210	-	-	167,340
Total	<u>\$ 524,164</u>	<u>\$ 47,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,374</u>

December 31, 2021					
	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total of undiscounted cash flows
<u>Non-derivative financial liabilities</u>					
Current borrowings	\$ 749,744	\$ -	\$ -	\$ -	\$ 749,744
Notes payable	12,643	-	-	-	12,643
Accounts payable (includes related parties)	53,683	-	-	-	53,683
Other payables (includes related parties)	103,375	-	-	-	103,375
Provisions – current	1,991	-	-	-	1,991
Lease liabilities	5,307	1,486	293	-	7,086
Non-current borrowings (includes current portion)	86,562	46,198	-	-	130,760
Total	<u>\$ 1,013,305</u>	<u>\$ 47,684</u>	<u>\$ 293</u>	<u>\$ -</u>	<u>\$ 1,061,282</u>

The amounts of above non-derivative financial liabilities instruments with floating interest rate will be varied when the estimated rate become different at the end of reporting period.

(3) Fair value information

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

Level 1: The input value of this level is the public quotation (unadjusted) of the identical asset or liability in the active market. A market is regarded as active when the goods in the market are in same nature and the price information is readily available in the public market for both buyers and sellers.

Level 2: Inputs other than the observable publicly quoted prices included within Level 1 for assets and liabilities, either directly (such as price) or indirectly (such as derived from the price).

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, other receivables, other current financial assets, deposits, bank borrowings, notes payable, accounts payable and other payables are reasonable approximations of fair values.

C. As of December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements, respectively.

D. Reconciliation for recurring fair value measurement assets in Level 3 of the fair value hierarchy for movements during the period is as follows:

	<u>Assets</u>
	<u>At fair value through profit or loss</u>
	<u>Preferred stocks</u>
At January 1, 2021	\$ 264,274
Total profits and losses recognized for the year ended December 31, 2021	
Amount recognized in profit or loss (presented in "other profit or loss")	-
Converted to common stocks in 2021	(264,274)
At December 31, 2021	<u>\$ -</u>

E. Information on significant unobservable inputs to valuation for Level 3 of the fair value hierarchy

Description of significant unobservable inputs to the valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:	Option	Volatility	-	The higher the volatility, the lower the fair value.	1% increase (decrease) in volatility would result in an increase (decrease) in the Company's loss by \$0 thousand.
At fair value through profit or loss					
Preferred stocks					

(4) Significant assets and liabilities denominated in foreign currencies

Unit: thousands

	December 31, 2022		
	Foreign currency amount	Exchange rate	NT\$
Financial assets			
Monetary items			
US\$	\$ 23,840	30.71	\$ 732,126
Non-monetary items			
US\$	10,757	30.71	330,351
Financial liabilities			
Monetary items			
US\$	4,921	30.71	151,124
Non-monetary items			
MMK	1,981,438	0.0146	28,929

	December 31, 2021		
	Foreign currency amount	Exchange rate	NT\$
<u>Financial assets</u>			
Monetary items			
US\$	\$ 36,013	27.68	\$ 996,840
EUR	361	31.32	11,307
Non-monetary items			
US\$	8,716	27.68	241,268
MMK	947,898	0.0157	14,882
<u>Financial liabilities</u>			
Monetary items			
US\$	12,280	27.68	339,910
Non-monetary items			
US\$	6,728	27.68	186,240

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

For the years ended December 31, 2022 and 2021, foreign exchange gain (loss) were \$84,644 thousand and \$(28,854) thousand, respectively. The above information about foreign exchange gains or losses on monetary financial assets and liabilities includes realized and unrealized net foreign exchange gain or loss.

(5) Other

A. Roo Hsing Shanghai Import & Export Co., Ltd., a subsidiary of the Company, is unable to collect the accounts receivable in an amount of RMB28,402 thousand due from Suzhou Rui Bi De Trade Co., Ltd. ("Suzhou Rui Bi De") and claims of RMB47,467 thousand guaranteed by Wang, Jiong-Lie, the president of Suzhou Rui Bi De. The Company has applied for a ruling in Taiwan YunLin District Court with respect to one of the promissory notes guaranteed by Wang, Jiong-Lie, where he is domicile. The amount of the

promissory note was RMB18,960 thousand. The Company has obtained the court's final verdict. The Company will take similar actions for other promissory notes and hire local lawyers and asset management firms to protect the rights of the Company.

- B. Roo Hsing Shanghai Import & Export Co., Ltd. (Roo Hsing Shanghai), a subsidiary of the Company, filed a civil action against Nan Tong Si Bo Te Trading Co., Ltd. with respect to a dispute arising from a purchase agreement. The Shanghai Xuhui People's Court ruled that Roo Hsing Shanghai shall return payment for purchase to Nan Tong Si Bo Te Trading Co., Ltd. plus accrued interest. The Company refused to accept the judgment and lodged an appeal to the intermediate people's court in Shanghai on October 17, 2017. The intermediate people's court uphold the original judgment on March 14, 2018. The Company has recognized related liabilities of RMB4,844 thousand as of March 31, 2019. After the transaction dispute was litigated, the group of the Company judged that it was a commercial fraud, and tried to report it as a criminal case through another channel.

13. Supplementary disclosures

(1) Significant transactions information:

No.	Items	Footnote
1	Loans to others	Table 1
2	Provision of endorsements and guarantees to others	Table 2
3	Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures)	None
4	Purchase or sale of the same security with the accumulated cost exceeding \$300 million or 20% of paid-in capital or more	None
5	Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more	None
6	Disposal of real estate reaching \$300 million or 20% of paid-in capital or more	Table 3
7	Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more	Table 4
8	Receivables from related parties reaching \$100 million or 20% of paid-in capital or more	Table 5
9	Derivative financial instruments undertaken	None
10	Significant inter-company transactions between the Company and subsidiaries	Table 6

(2) Information on investments: Table 7

(3) Information on investments in Mainland China: Table 8

(4) Information of major shareholders: Table 9

Table 1

Loans to others
For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

No. (Note 1)	Lender	Borrower	Financial statement account	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 6)	Actual borrowing amount	Interest rate (%)	Nature of financing (Note 2)	Business transaction amount (Note 4)	Reasons for short-term financing (Note 4)	Allowance for impairment loss	Collateral		Financing limit for each borrower (Note 5)	Aggregate financing limit (Note 5)	Note
													Item	Value			
0	Roo Hsing Co., Ltd.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Yes	\$ 9,213	\$ -	\$ -	-	Note 4 (2)	\$ -	To meet operational needs	\$ -	-	-	\$ 1,370,413	\$ 1,566,186	7, 9
0	Roo Hsing Co., Ltd.	J.D. United Trading Co., Ltd.	Other receivables	Yes	153,550	153,550	-	3.786	Note 4 (2)	-	To meet operational needs	-	-	-	1,370,413	1,566,186	7, 9
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	Other receivables	Yes	238,858	85,875	85,875	-	Note 4 (2)	-	To meet operational needs	-	-	-	1,370,413	1,566,186	7, 9
0	Roo Hsing Co., Ltd.	JD United (BVI) Limited	Other receivables	Yes	164,457	164,457	164,457	-	Note 4 (2)	-	To meet operational needs	-	-	-	1,370,413	1,566,186	7, 9
1	Roo Hsing Co. Nicaragua, S.A.	South Bay Manufacturing Company Limited	Other receivables	Yes	6,142	6,142	6,142	4.86	Note 4 (2)	-	To meet operational needs	-	-	-	42,785	42,785	8, 9
2	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Yes	18,426	15,355	9,213	2.388	Note 4 (2)	-	To meet operational needs	-	-	-	336,743	336,743	8, 9
2	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	Roo Hsing Co., Ltd.	Other receivables	Yes	92,130	92,130	89,366	3.629~ 5.724	Note 4 (2)	-	To meet operational needs	-	-	-	336,743	336,743	8, 9
3	Operadora Internacional de Zonas Francas (Managua), S.A.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Yes	6,142	-	-	-	Note 4 (2)	-	To meet operational needs	-	-	-	474,401	474,401	8, 9

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No. (Note 1)	Lender	Borrower	Financial statement account	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 6)	Actual borrowing amount	Interest rate (%)	Nature of financing (Note 2)	Business transaction amount (Note 4)	Reasons for short-term financing (Note 4)	Allowance for impairment loss	Collateral		Financing limit for each borrower (Note 5)	Aggregate financing limit (Note 5)	Note
													Item	Value			
3	Operadora Internacional de Zonas Francas (Managua), S.A.	Roo Hsing Co., Ltd.	Other receivables	Yes	184,260	184,260	30,170	3.177~ 5.724	Note 4 (2)	-	To meet operational needs	-	-	-	474,401	474,401	8, 9
4	J.D. United Manufacturing Co., Ltd	Rootech Pte. Limited	Other receivables	Yes	46,065	46,065	38,092	8.01	Note 4 (2)	-	To meet operational needs	-	-	-	983,378	983,378	8, 9
5	Tooku Holdings Limited	RH International Holdings Limited	Other receivables	Yes	307,100	307,100	223,569	2.2216~ 3.288	Note 4 (2)	-	To meet operational needs	-	-	-	5,515,739	5,515,739	8, 9
5	Tooku Holdings Limited	MF Holding Co., Ltd.	Other receivables	Yes	307,100	307,100	22,104	2.017~ 3.362	Note 4 (2)	-	To meet operational needs	-	-	-	5,515,739	5,515,739	8, 9
5	Tooku Holdings Limited	J.D. United Trading Corporation Limited	Other receivables	Yes	245,680	245,680	122,840	4.113	Note 4 (2)	-	To meet operational needs	-	-	-	5,515,739	5,515,739	8, 9
6	RH International Holdings Limited	MF Holding Co., Ltd.	Other receivables	Yes	875,235	875,235	216,907	1.80~ 4.399	Note 4 (2)	-	To meet operational needs	-	-	-	1,099,885	1,099,885	8, 9
7	J.D. United Trading Corporation Limited	MF Holding Co., Ltd.	Other receivables	Yes	15,355	15,355	15,355	1.80	Note 4 (2)	-	To meet operational needs	-	-	-	-	-	8.9
8	Tien Yun Tech Storage Co., Ltd.	Roo Hsing Co., Ltd.	Other receivables	Yes	100,000	100,000	3,900	2.15~ 2.275	Note 4 (2)	-	To meet operational needs	-	-	-	139,467	139,467	8, 9
9	GDM Enterprise Co., Ltd.	SL Garment Processing (Cambodia) Ltd.	Other receivables	No	60,887	60,887	60,887	-	Note 4 (2)	-	To meet operational needs	-	-	-	-	-	8, 9
10	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Shanghai Roo Sheng Txtile Technology Development Co., Ltd.	Other receivables	Yes	4,410	4,410	1,928	6.00	Note 4(2)	-	To meet operational needs	-	-	-	214,102	214,102	8.9

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Note 1: The parent company and its subsidiaries are coded as follows:

- (1) Parent company: 0.
- (2) Invested companies start from 1 consecutively.

Note 2: Items such as other receivables due from affiliates/related parties, shareholders' current account, prepayments, temporary payments, etc. with financing nature should be filled in the column.

Note 3: The maximum financing amount for the year.

Note 4: (1) For counterparties with transactions, financing amount is the transaction amount between lender and the counterparty for the current year.

- (2) Please describe the reason and usage of financing if short-term financing is necessary.

Note 5: Please fill in the limit of financing amount for individual counterparty and the limit of total financing amount according to the Company's procedure.

Note 6: If public companies propose financing provided to others to the Board of Directors under Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, article 14, paragraph 1, they should still state ending balances approved by the board of directors to disclose the risk taken. When the capital is repaid, the amount of repayment should be disclosed to reflect the adjusted risk.

If public companies authorize the director to revolve credit under certain limits approved by the board of directors in accordance to abovementioned regulations, article 14, paragraph 2, the limit approved by the board of directors should still be stated. Even though capital is repaid, the limit approved by the board of directors should still be stated since the company may lend again.

Note 7: The financing amounts to any single entities shall not exceed 35% net worth of the lender, the total financing amount shall not exceed 40% net worth of the lender.

Note 8: The total financing amounts of its subsidiary and the limit amounts for any single entities are as follows:

- (1) The total financing amount, excluding situations described in (3), shall not exceed 40% net worth of the lender.
- (2) The financing amount shall not exceed the transaction amount between the Company and the counterparty with transactions. Transaction amount is the higher of sales or purchases between counterparties. The financing amount shall not exceed 40% net worth of the Company or 10% net worth of the counterparty.
- (3) Except for Roo Hsing Co. Nicaragua, S.A., the financing amount shall not exceed 5 times net worth of the lender, to Tooku Holdings Limited the financing amount shall not exceed 10 times net worth of the lender, to RH International Holdings Limited shall not exceed 40% net worth of the Company, the rest shall not exceed 3 times if the parent company has directly or indirectly hold 100% shares of its overseas subsidiaries.

Note 9: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 2

Provision of endorsements and guarantees to others

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

NO. (Note 1)	Endorser/Guarantor	Endorsee		Endorsement limit for a single entity (Note 3)	Highest balance during the year (Note 4)	Outstanding balance at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Balance secured by collateral	Ratio of accumulated amount to net worth of the Company	Maximum amount of endorsement (Note 3)	Provision of endorsements by parent company to subsidiary (Note 7)	Provision of endorsements by subsidiary to parent company (Note 7)	Provision of endorsement to the party in Mainland China (Note 7)
		Company name	Relationship (Note 2)										
0	Roo Hsing Co., Ltd. (Note 3 and 9)	MF Holding Co., Ltd.	2	\$ 3,132,372	\$1,926,131	\$ 788,633	\$ 615,889	\$ -	20.14%	\$ 7,830,930	Yes	No	No
0	Roo Hsing Co., Ltd. (Note 3 and 9)	J.D. United Manufacturing	2	3,132,372	5,143,483	5,143,483	383,24	-	131.36%	7,830,930	Yes	No	No
0	Roo Hsing Co., Ltd. (Note 3 and 9)	J.D. United Trading Corporation Limited	2	3,132,372	5,139,543	5,139,543	3,432,350	-	131.26%	7,830,930	Yes	No	No
1	Changzhou Tooku Garments Co., Ltd. (Note 8)	Changzhou Guangzhou Manchuria Trading Co., Ltd.	4	-	441,000	441,000	198,130	-	-	-	No	No	Yes
1	Changzhou Tooku Garments Co., Ltd. (Note 8)	Nanjing Xingao Trading Co., Ltd.	2	-	198,450	66,150	66,150	-	-	-	No	No	Yes
1	Changzhou Tooku Garments Co., Ltd. (Note 8)	Changzhou Langui ren Textile Co., Ltd.	1	6,093,073	44,100	-	-	-	-	6,093,073	No	No	Yes
1	Changzhou Tooku Garments Co., Ltd. (Note 8 and 12)	Changzhou Dongteng International Trade Co., Ltd.	1	-	147,074	147,074	147,074	-	-	-	No	No	Yes
2	J.D. United Manufacturing Limited (Note 8)	Changzhou Tooku Garments Co., Ltd.	2	7,375,336	246,786	44,100	27,668	-	1.79%	7,375,336	No	No	Yes
2	J.D. United Manufacturing Limited (Note 8 and 10)	J.D. United Trading Co., Ltd.	2	7,375,336	4,149,781	-	-	-	-	7,375,336	No	No	No
2	J.D. United Manufacturing Limited (Note 8)	Shanghai Roo Sheng Textile Technology Development Co., Ltd.	4	7,375,336	16,317	16,317	9,214	-	0.66%	7,375,336	No	No	Yes
3	Changzhou Guangzhou Manchuria Trading Co., Ltd. (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	4	5,352,542	2,116,580	2,055,060	892,695	-	383.94%	5,352,542	No	No	Yes
3	Changzhou Guangzhou Manchuria Trading Co., Ltd. (Note 8 and 12)	Changzhou Dongteng International Trade Co., Ltd.	1	-	147,074	147,074	147,074	-	-	-	No	No	Yes
3	Changzhou Guangzhou Manchuria Trading Co., Ltd. (Note 8)	Shanghai Roo Sheng Textile Technology Development Co., Ltd.	4	5,352,542	16,317	16,317	9,214	-	3.05%	5,352,542	No	No	Yes
4	JD United (BVI) Limited (Note 8)	J.D. United Manufacturing Limited	2	3,816,741	1,466,473	-	-	-	-	3,816,741	No	No	No

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NO. (Note 1)	Endorser/Guarantor	Endorsee		Endorsement limit for a single entity (Note 3)	Highest balance during the year (Note 4)	Outstanding balance at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Balance secured by collateral	Ratio of accumulated amount to net worth of the Company	Maximum amount of endorsement (Note 3)	Provision of endorsements by parent company to subsidiary (Note 7)	Provision of endorsements by subsidiary to parent company (Note 7)	Provision of endorsement to the party in Mainland China (Note 7)
		Company name	Relationship (Note 2)										
4	JD United (BVI) Limited (Note 8)	J.D. United Trading Corporation Limited	2	3,816,741	4,766,192	-	-	-	-	3,816,741	No	No	No
5	Faith In Blue (USA) Corporation (Note 8 and 9)	MF Holding Co., Ltd.	3	1,754,007	1,926,131	788,633	615,889	1,169,338	67.44%	2,338,677	No	No	No
6	Henan Gowin Garments Corporation Limited (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	3	824,738	352,800	352,800	258,478	-	999.99%	824,738	No	No	Yes
7	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd. (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	4	-	352,800	352,800	258,478	-	-	-	No	No	Yes
8	Tooku Holdings Limited (Note 8 and 9)	MF Holding Co., Ltd.	4	30,336,565	1,926,131	788,633	615,889	551,574	142.98%	30,336,565	No	No	No
9	Tien Yun Tech Storage Co., Ltd. (Note 8)	Roo Hsing Co., Ltd.	3	697,334	570,000	570,000	200,000	343,967	163.48%	697,334	No	Yes	No
10	JD United (Cayman) Limited (Note 8)	MF Holding Co., Ltd.	2	3,618,450	788,633	788,633	615,889	1,447,380	54.49%	4,342,139	No	No	No
10	JD United (Cayman) Limited (Note 8 and 10)	J.D. United Manufacturing Limited	2	3,618,450	3,938,116	3,938,116	383,240	-	272.09%	4,342,139	No	No	No
10	JD United (Cayman) Limited (Note 8 and 10)	J.D. United Trading Co., Ltd.	2	3,618,450	4,740,949	4,740,949	3,432,350	-	327.55%	4,342,139	No	No	No
11	RH International Holdings Limited (Note 8 and 9)	MF Holding Co., Ltd.	2	27,497,126	1,926,131	788,633	615,889	2,749,713	28.68%	27,497,126	No	No	No
12	3Y Universal Company Limited	HGQ Co., Ltd.	1	-	157,165	157,165	-	-	-	-	No	No	No

Note 1 : The intercompany transactions between the companies are identified and numbered as follow for indication:

- (1) Parent company: 0.
- (2) Invested companies start from 1 consecutively.

Note 2 : There are seven types of relationship between the endorser and the endorsee, and are indicated as follows:

- (1) Having business dealings.
- (2) Majority owned subsidiaries.
- (3) The Company direct or indirect owns over 50% of voting rights of the investee company.
- (4) A subsidiary jointly owned over 90% by the Company.
- (5) Guarantee by the Company according to the construction contract.
- (6) An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
- (7) Joint and several guarantee by the Company according to the pre-construction contract under Customer Protection Act

Note 3: The procedure of endorsement is shown as follows:

- (1) Aggregate amount of endorsement of the Company shall not exceed 200% of net worth of the Company. Aggregate amount of endorsement of the Company and its subsidiaries shall not exceed 200% of net worth of the Company.

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(2) The amount of endorsements/guarantees for any entity shall not exceed 80% net worth of the Company; the aggregate amount of endorsements/guarantees for any entity shall not exceed 80% net worth of the Company.

Note 4: Accumulated maximum balance of endorsements for others from the current year to the reporting month.

Note 5: All endorsements/guarantees that have been approved by bank shall be included in ending balance.

Note 6: Please fill in the actual amount provided by the endorser.

Note 7: Parent company endorsed/guaranteed for the subsidiaries, subsidiaries endorsed/guaranteed for the parent company, or endorsement/guarantee for entities in Mainland China shall fill in "Y".

Note 8: Endorsement limits provided by Changzhou Guangzhou Manchuria Trading Co., Ltd. for a single entity and all entities are all 1000% of their net worth. Endorsement limits provided by Changzhou Tooku Garments Co. Ltd. for a single entity and all entities are all 10000% of their net worth. Endorsement limits provided by J. D. United Manufacturing Limited and JD United (BVI) Limited for a single entity and all entities are 300% of its net worth. Endorsement limits provided by Faith In Blue (USA) Corporation and J. D. United (Cayman) Limited for a single entity and all entities are 150% and 200%, respectively, of its net worth. Endorsement limits provided by Henan Gowin Garments Corporation Limited and Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd. for a single entity and all entities are 12500% of their net worth. Endorsement limits provided by Tooku Holdings Limited for a single entity and all entities are 5500% of their net worth. Endorsement limits provided by Tien Yun Tech Storage Co., Ltd. for a single entity and all entities are 200% of their net worth.

Note 9: The Company, Faith In Blue (USA) Corporation, Tooku Holdings Limited and RH International Holdings Limited have shared limits for MF Holding Co., Ltd. The table shows separate entries to calculate limit amounts though actually they are endorsements/guarantees for a single entity. The shared limit was NT\$788,633 thousand, and the actual amount drawn was NT\$615,889 thousand.

Note 10: The Company and J. D. United (Cayman) Limited have shared limits for J.D. United Manufacturing Limited and J.D. United Trading Corporation Limited. The table shows the separate entries to calculate the limit though actually they are endorsements/guarantees for a single entity. The shared limit was NT\$5,143,483 thousand, and the actual amount drawn was NT\$3,815,590 thousand.

Note11: Changzhou Guangzhou Manchuria Trading Co., Ltd., Henan Gowin Garments Corporation Limited and Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd. have shared limits for Changzhou Tooku Garments Co., Ltd.. The table shows the separate entries to calculate the limit though actually they are endorsements/guarantees for a single entity. The shared limit was NT\$352,800 thousand, and the actual amount drawn was NT\$258,478 thousand.

Note12: Changzhou Guangzhou Manchuria Trading Co., Ltd. and Changzhou Tooku Garments Co., Ltd. have shared limits for Changzhou Dongteng International Trade Co., Ltd. The table shows separate entries to calculate limit amounts though actually they are endorsements/guarantees for a single entity. The shared limit was \$147,074 thousand, and the actual amount drawn was \$147,074 thousand.

Table 3

Disposal of real estate reaching \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Disposal of investment property	Name of real estate	Date of fact	Original date of acquisition	Book value	Amount of transaction	Amount received	Gain (loss) on disposal	Transaction	Relationship	Purpose of disposal	Basis of reference for price determination	Other agreed matters
Roo Hsing Garment Co., Ltd.	Land (PP00114)	October, 2022	March 24, 1997	\$ 42,077 (USD 1,370)	\$ 675,620 (USD 22,000)	\$ 92,130 (USD 3,000) received	\$ 611,469 (USD20,630)	KY PHENG	No	Revitalize the assets	Result of valuation report is USD19,734 and USD20,137	None
Roo Hsing Garment Co., Ltd.	Land (PP00116)		March 24, 1997									
Roo Hsing Garment Co., Ltd.	Land (PP00318)		June 19, 1997									
Roo Hsing Garment Co., Ltd.	Land (PP00345)		July 4, 1997									
Roo Hsing Garment Co., Ltd.	Land (PP00358)		July 15, 1997									
Roo Hsing Garment Co., Ltd.	Land (PP01914)		February 15, 2000									
Roo Hsing Garment Co., Ltd.	Land (PP02079)		June 14, 2000									
Roo Hsing Garment Co., Ltd.	Land (PP06673)		October 8, 2004									

Table 4

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more for the year ended

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Company	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Hung Hsing Garment (Cambodia) Co., Ltd.	Roo Hsing Garment Co., Ltd.	Affiliate with same parent company	Sales	(\$ 142,651)	1%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	\$ 99,412	6%	
Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(350,568)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(157,244)	6%	
J.D. United Trading Corporation Limited	Nanjing USA, Inc.	Affiliate with same parent company	Sales	(3,955,372)	23%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	1,576,101	88%	
J.D. United Trading Corporation Limited	T & K Garment Industry Co., Ltd.	Affiliate with same parent company	Sales	(3,505,560)	20%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	8,557,604	476%	
J.D. United Trading Corporation Limited	Tanzania Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(204,189)	1%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(969,718)	34%	
J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co., Ltd.	Affiliate with same parent company	Sales	(284,955)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	544,256	30%	

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Company	Related party	Relationship	Transactions				Details of non-arm's length transaction (Note 1)		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
T & K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(5,332,281)	31%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	17,340,975	965%	
Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(939,836)	5%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	969,718	54%	
Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(7,076,903)	41%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	4,452,511	248%	
Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(3,330,692)	19%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	683,632	38%	
Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	Sales	(1,993,912)	12%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	2,289,073	127%	
Changzhou Tooku Garments Co., Ltd.	3Y Universal Company Limited	Affiliate with same parent company	Sales	(324,806)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	(56,304)	2%	
Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(317,474)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	826,769	6%	
Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	Sales	(157,894)	1%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/ A	481,936	27%	

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Company	Related party	Relationship	Transactions				Details of non-arm's length transaction (Note 1)		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(372,267)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	612,600	34%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(467,413)	3%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(436,977)	24%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(3,827,275)	22%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(102,202)	4%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Panefort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	Sales	(342,992)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	169,528	9%	
Panefort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(2,597,748)	15%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	5,535,927	308%	
Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(334,119)	2%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	391,514	22%	
Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	Sales	(1,226,252)	7%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	304,222	17%	
Tooku Holdings Limited	Nanjing USA, Inc.	Affiliate with same parent company	Sales	(246,443)	1%	Net 90 days. Cash payments are based on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	56,286	3%	

Note: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 5

Receivables from related parties reaching \$100 million or 20% of paid-in capital or more

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Company name	Transaction party	Relationship	Ending balance of accounts receivable from related parties	Turnover rate	Overdue		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Actions taken		
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	The Company's subsidiary	\$ 417,656	-	\$ -	-	\$ -	\$ -
Roo Hsing Garment Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	111,064	-	-	-	-	-
Nagapeace Corporation Limited	Hung Hsing Garment (Cambodia) Co., Ltd.	Affiliate with same parent company	157,244	-	-	-	-	-
Tooku Holdings Limited	RH International Holdings Limited	Affiliate with same parent company	229,665	-	-	-	-	-
Tooku Holdings Limited	J.D. United Trading Corporation Limited	Affiliate with same parent company	172,498	-	-	-	-	-
J.D. United Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	316,766	-	-	-	-	-
J.D. United Trading Corporation Limited	Tanzania Tooku Garments Co., Ltd.	Affiliate with same parent company	1,093,100	-	-	-	-	-
J.D. United Trading Corporation Limited	JD United (BVI) Limited	Affiliate with same parent company	192,291	-	-	-	-	-
J.D. United Trading Corporation Limited	South Bay Manufacturing Compay Limited	Affiliate with same parent company	120,182	-	-	-	-	-
J.D. United Trading Corporation Limited	Nanjing USA, Inc.	Affiliate with same parent company	1,576,101	-	-	-	-	-
J.D. United Trading Corporation Limited	T & K Garment Industry Co., Ltd.	Affiliate with same parent company	8,557,604	-	-	-	-	-
J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co., Ltd.	Affiliate with same parent company	544,256	-	-	-	-	-
J.D. United Manufacturing Corporation Limited	JD United (BVI) Limited	Affiliate with same parent company	475,803	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	683,632	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	826,769	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	J.D. United Manufacturing Corporation Limited	Affiliate with same parent company	306,386	-	-	-	-	-

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Company name	Transaction party	Relationship	Financial statement account and ending balance	Turnover rate	Overdue		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Actions taken		
Changzhou Tooku Garments Co., Ltd.	Pan effort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	481,936	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	2,289,073	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Bai Cheng Shi Mei Da Garment Co., Ltd.	Affiliate with same parent company	104,429	-	-	-	-	-
Tooku Trading Company Limited	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	817,956	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	436,977	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Pan effort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	169,528	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Affiliate with same parent company	612,062	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	2,186,871	-	-	-	-	-
Morning Glory Garment Enterprise Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	182,850	-	-	-	-	-
Morning Glory Garment Enterprise Co., Ltd.	JD & Toyoshima Co., Ltd.	Affiliate with same parent company	121,398	-	-	-	-	-
T & K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	17,340,975	-	-	-	-	-
Nagapeace Corporation Limited	Pan effort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	8,131,022	-	-	-	-	-
Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	Affiliate with same parent company	4,452,511	-	-	-	-	-
Nagapeace Corporation Limited	GDM Enterprise Co., Ltd.	Affiliate with same parent company	610,743	-	-	-	-	-
Nagapeace Corporation Limited	Zhen Tai Garment (Cambodia) Co., Ltd.	Affiliate with same parent company	426,079	-	-	-	-	-
Nagapeace Corporation Limited	JD & Toyoshima Co., Ltd.	Affiliate with same parent company	188,514	-	-	-	-	-
Nagapeace Corporation Limited	Tooku Trading Company Limited	Affiliate with same parent company	674,607	-	-	-	-	-
Nagapeace Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	Affiliate with same parent company	834,358	-	-	-	-	-
Nagapeace Corporation Limited	Great Union (Cambodia) Co., Ltd.	Affiliate with same parent company	152,091	-	-	-	-	-
Pan effort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	Affiliate with same parent company	1,101,240	-	-	-	-	-

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Company name	Transaction party	Relationship	Financial statement account and ending balance	Turnover rate	Overdue		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Actions taken		
Panefort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	5,536,439	-	-	-	-	-
Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	969,718	-	-	-	-	-
Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	391,514	-	-	-	-	-
Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	304,222	-	-	-	-	-
Nishiku Enterprise Co., Ltd.	J.D. United Manufacturing Corporation Limited	Affiliate with same parent company	303,523	-	-	-	-	-
Henan Gowin Garment Corporation Limited	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	108,057	-	-	-	-	-
JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	126,218	-	-	-	-	-
RH Internation Holdings Limited	MF Holding Co., Ltd.	Affiliate with same parent company	218,546	-	-	-	-	-

Note: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 6

Significant inter-company transactions between the Company and subsidiaries

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

No. (Note 1)	Transaction party	Counterparty	Type of transactions (Note 2)	Transaction details			
				Financial statement accounts	Amount	Payment terms	% to total sales or total assets (Note 3)
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	1	Other receivables	\$ 417,656	-	3%
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	1	Manufacturing - processing expenses	142,297	Agreed based on product types	1%
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., El Salvador, S.A. DEC.V.	1	Other payables	90,743	-	1%
0	Roo Hsing Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	1	Other receivables	77,478	-	-
0	Roo Hsing Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	1	Prepayment	64,153	-	-
1	Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	3	Accounts payables	99,412	-	1%
1	Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	3	Manufacturing - processing expenses	142,651	Agreed based on product types	1%
1	Roo Hsing Garment Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	111,064	-	1%
2	Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Other payables	157,244	-	1%
2	Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	350,568	Agreed based on product types	2%
2	Hung Hsing Garment (Cambodia) Co., Ltd.	Paneffort (Cambodia) Garment Co.,Ltd.	3	Accounts payables	69,753	-	-
3	S.H. United Co., Ltd.	3Y Universal Company Limited	3	Processing revenue	129,310	Agreed based on product types	1%
3	S.H. United Co., Ltd.	Roo Hsing Garment Manufacturing Co., Ltd.	3	Other payables	62,287	-	-
4	GDM Enterprise Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	142,596	Agreed based on product types	1%
5	J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co.,Ltd.	1	Other receivables	544,256	-	4%
5	J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co.,Ltd.	1	Sales	284,955	Agreed based on product types	2%
5	J.D. United Manufacturing Corporation Limited	JD United (BVI) Limited	3	Other receivables	475,803	-	3%
5	J.D. United Manufacturing Corporation Limited	Nishiku Manufacturing Corporation Limited	1	Other receivables	73,816	-	-
6	J.D. United Trading Corporation Limited	South Bay Manufacturing Company Limited	3	Accounts receivable	120,182	-	1%
6	J.D. United Trading Corporation Limited	T & K Garment Industry Co.,Ltd.	3	Accounts receivable	8,557,604	-	56%
6	J.D. United Trading Corporation Limited	T & K Garment Industry Co.,Ltd.	3	Sales	3,505,560	Agreed based on product types	20%
6	J.D. United Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	3	Other receivables	316,766	-	2%
6	J.D. United Trading Corporation Limited	JD United (BVI) Limited	2	Other receivables	192,261	-	1%
6	J.D. United Trading Corporation Limited	Tanzania Tooku Garments Co., Ltd.	3	Other receivables	1,093,100	-	7%

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No. (Note 1)	Transaction party	Counterparty	Type of transactions (Note 2)	Transaction details			
				Financial statement accounts	Amount	Payment terms	% to total sales or total assets (Note 3)
6	J.D. United Trading Corporation Limited	Tanzania Tooku Garments Co., Ltd.	3	Sales	204,189	Agreed based on product types	1%
6	J.D. United Trading Corporation Limited	Nanjing USA, Inc.	3	Accounts receivable	1,576,101	-	10%
6	J.D. United Trading Corporation Limited	Nanjing USA, Inc.	3	Sales	3,955,372	Agreed based on product types	23%
7	T & K Garment Industry Co.,Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	174,340,975	-	114%
7	T & K Garment Industry Co.,Ltd.	Nagapeace Corporation Limited	3	Processing revenue	205,497	Agreed based on product types	1%
7	T & K Garment Industry Co.,Ltd.	Nagapeace Corporation Limited	3	Sales	5,332,281	Agreed based on product types	31%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Accounts receivable	612,062	-	4%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Sales	372,267	Agreed based on product types	2%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co.,Ltd.	3	Accounts receivable	169,528	-	9%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co.,Ltd.	3	Sales	342,992	Agreed based on product types	2%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	436,977	-	3%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	3	Sales	467,413	Agreed based on product types	3%
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	2,186,871	-	-
8	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Sales	3,827,275	Agreed based on product types	22%
9	Morning Glory Garment Enterprise Co., Ltd.	JD & Toyoshima Co., Ltd.	3	Accounts receivable	121,398	-	1%
9	Morning Glory Garment Enterprise Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	182,850	-	-
9	Morning Glory Garment Enterprise Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	219,148	Agreed based on product types	1%
10	Changzhou Tooku Garments Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Accounts receivable	306,386	-	2%
10	Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	683,632	-	-
10	Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	3,330,692	Agreed based on product types	19%
10	Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co.,Ltd.	3	Accounts receivable	481,936	-	3%
10	Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co.,Ltd.	3	Sales	157,894	Agreed based on product types	1%
10	Changzhou Tooku Garments Co., Ltd.	3Y Universal Company Limited	3	Sales	324,806	Agreed based on product types	2%
10	Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Accounts receivable	2,289,073	-	15%
10	Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Sales	1,993,912	Agreed based on product types	12%

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No. (Note 1)	Transaction party	Counterparty	Type of transactions (Note 2)	Financial statement accounts	Transaction details		% to total sales or total assets (Note 3)
					Amount	Payment terms	
10	Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	826,729	-	5%
10	Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	3	Sales	317,474	Agreed based on product types	2%
10	Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Accounts receivable	62,836	-	-
10	Changzhou Tooku Garments Co., Ltd.	Bai Cheng Shi Mei Da Garment Co., Ltd.	1	Accounts receivable	104,429	-	1%
11	Splendid Chance International Ltd.	Nagapeace Corporation Limited	3	Processing revenue	145,378	Agreed based on product types	1%
12	Henan Gowin Garments Corporation Limited	Changzhou Tooku Garment Co., Ltd.	3	Accounts receivable	108,057	-	1%
12	Henan Gowin Garments Corporation Limited	Changzhou Tooku Garment Co., Ltd.	3	Processing revenue	137,157	-	1%
12	Henan Gowin Garments Corporation Limited	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Processing revenue	82,159	Agreed based on product types	-
13	JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	126,218	-	1%
13	JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	435,229	Agreed based on product types	3%
14	Panefort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Accounts receivable	1,101,240	-	7%
14	Panefort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	5,536,439	-	36%
14	Panefort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	2,597,748	Agreed based on product types	15%
15	Great Union Cambodia Garment Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	182,001	Agreed based on product types	1%
16	Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	391,514	-	3%
16	Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	3	Sales	334,119	Agreed based on product types	2%
16	Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Accounts receivable	304,222	-	2%
16	Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Sales	1,226,252	Agreed based on product types	7%
17	Tanzania Tooku Garments Co., Ltd.	Tooku Trading Corporation Limited	3	Other receivables	67,577	-	-
17	Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Other receivables	969,718	-	6%
17	Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	939,836	Agreed based on product types	5%
18	Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	3	Accounts receivable	4,452,511	-	29%
18	Nagapeace Corporation Limited	Tooku Trading Corporation Limited	3	Sales	7,076,903	Agreed based on product types	41%
18	Nagapeace Corporation Limited	Tooku Trading Corporation Limited	3	Accounts receivable	674,607	-	4%
18	Nagapeace Corporation Limited	GDM Enterprise Co., Ltd.	3	Accounts receivable	610,743	-	4%
18	Nagapeace Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	3	Accounts receivable	834,358	-	5%
18	Nagapeace Corporation Limited	JD & Toyoshima Co., Ltd.	3	Accounts receivable	188,514	-	1%
18	Nagapeace Corporation Limited	Panefort (Cambodia) Garment Co., Ltd.	3	Accounts receivable	8,131,022	-	54%
18	Nagapeace Corporation Limited	Great Union Cambodia Garment Co., Ltd.	3	Accounts receivable	152,091	-	1%

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No. (Note 1)	Transaction party	Counterparty	Type of transactions (Note 2)	Financial statement accounts	Transaction details		% to total sales or total assets (Note 3)
					Amount	Payment terms	
18	Nagapeace Corporation Limited	Zhen Tai Garment (Cambodia) Co., Ltd.	3	Accounts receivable	426,079	-	3%
19	Zhen Tai Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Sales	442,531	Agreed based on product types	3%
20	Tooku Holdings Limited	J.D. United Trading Corporation Limited	3	Other receivables	172,498	-	1%
20	Tooku Holdings Limited	Nanjing USA, Inc.	3	Sales	246,443	Agreed based on product types	1%
21	Tooku Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	817,956	-	5%
22	RH International Holdings Limited	Tooku Holdings Limited	1	Long-term accounts payable	223,569	-	1%
22	RH International Holdings Limited	MF Holding Co., Ltd.	1	Other receivables	218,546	-	1%
23	Nishiku Enterprise Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Other receivables	303,523	-	2%
24	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Accounts receipts	216,600	-	1%
25	Manufacturing Corporation Limited	South Bay Manufacturing Company Limited	3	Other receivables	70,418	-	-

Note 1: The intercompany transactions between the companies are identified and numbered as follow for indication:

- (1) Parent company: 0
- (2) Subsidiaries start from 1 consecutively.

Note2: The relationship between transaction the Company and counterparty is classified into one of the following three categories

- (1) The Company to the subsidiary
- (2) The subsidiary to the Company
- (3) The subsidiary to another subsidiary

Note 3: The percentage of total revenues or total assets is calculated using the total assets at the end of the year when the subject of the transaction is an asset/liability and is calculated by total revenues during the year when the subject of the transaction is a revenue/expense.

Note 4: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 7

Names, locations and related information of investee companies (Not including investment in Mainland China)

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022(Note 2(2))	Investment income (loss) recognized for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	Cambodia	Garment processing	\$ 622,475	\$ 622,475	-	100.00	\$ 209,546	\$ 401,616	\$ 401,616	
Roo Hsing Co., Ltd.	Roo Hsing Co. Nicaragua, S.A.	Nicaragua	Garment processing	362,950	362,950	8,600	100.00	8,557	9,854	9,854	
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	El Salvador	Garment processing	600,981	600,981	999,600	100.00	112,248	(33,534)	(33,534)	
Roo Hsing Co., Ltd.	Operadora Internacional de Zonas Francas (Managua), S.A.	Nicaragua	Plant and property Leasing of Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	182,264	182,264	56,730	100.00	-	368	368	
Roo Hsing Co., Ltd.	Fain Tei Enterprise Company Ltd. (BVI)	British Virgin Islands	Investment holding	491,420	491,420	16,336,943	100.00	(357,677)	(170,904)	(170,904)	
Roo Hsing Co., Ltd.	Tien Yun Tech Storage Co., Ltd.	Taiwan	Real estate development and leasing for funeral service	607,592	607,592	17,290,238	84.30	561,185	1,088	903	
Roo Hsing Co., Ltd.	Roo Hsing Garment Manufacturing Co., Ltd.	Myanmar	Garment processing	128,495	128,495	41,216	100.00	(28,929)	(45,405)	(45,405)	
Roo Hsing Co., Ltd.	Intelligence Textile Technology Co., Ltd.	Taiwan	Wholesale of Electronic Materials	-	18,000	-	100.00	-	(60)	(60)	
Roo Hsing Co., Ltd.	RH Global Investment Limited	British Virgin Islands	Investment holding	-	-	-	100.00	-	-	-	
Roo Hsing Co., Ltd.	RH International Holdings Limited	British Virgin Islands	Investment holding	8,255,160	8,036,038	49,894	100.00	2,749,713	(4,424,907)	(4,424,907)	
Roo Hsing Co., Ltd.	Xynergy Semiconductor Corporation Limited	Hong Kong	Wholesale of Electronic Materials	-	283	-	100.00	-	19,920	19,920	

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Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022(Note 2(2))	Investment income (loss) recognized for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousands)	Ownership (%)	Book value			
RH International Holdings Limited	JD United (Cayman) Limited	Cayman Islands	Investment holding	719,080	-	639,391	12.10	329,951	(2,307,539)	(302,854)	Note 4
RH International Holdings Limited	J.D. United (BVI) Limited	British Virgin Islands	Investment holding	7,290,262	7,290,262	1	100.00	2,396,917	(2,200,074)	(2,200,074)	Note 5
Tien Yun Tech Storage Co., Ltd.	Tien Le Shan Business Co., Ltd.	Taiwan	Management consultant	3,200	3,000	320,000	100.00	6	(449)	(449)	
Roo Hsing Garment Co., Ltd.	Chen Tai Co., Ltd.	Cambodia	Garment washing	20,312	20,312	-	100.00	(8,255)	(2,383)	(2,383)	
Fain Tei Enterprise Company Ltd. (BVI)	Hung Hsing Garment (Cambodia) Co., Ltd.	Cambodia	Garment processing	181,805	181,805	-	100.00	(253,343)	(130,833)	(130,833)	
Fain Tei Enterprise Company Ltd. (BVI)	S.H. United Co., Ltd.	Myanmar	Garment processing	151,302	151,302	41,249	100.00	(86,056)	(25,765)	(25,765)	
JD United (BVI) Limited	JD United (Cayman) Limited	Cayman Islands	Investment holding	4,732,139	-	4,470,278	87.90	2,396,917	(2,307,539)	(2,200,074)	Note 4, 5
JD United (Cayman) Limited	J.D. United Manufacturing Corporation Limited	Hong Kong	Investment holding and garment trading	1,081,740	975,010	-	100.00	2,458,445	(2,307,539)	(2,307,539)	
JD United (Cayman) Limited	3Y Universal Company Limited	Hong Kong	Garment processing	220,836	199,047	-	51.00	267,606	35,856	18,286	
JD United (Cayman) Limited	MF Holding Co., Ltd.	Cayman Islands	Investment holding	492,340	621,010	435,238	100.00	305,075	(138,302)	(138,302)	Note 5
JD United (Cayman) Limited	Tooku Holdings Limited	British Virgin Islands	Investment holding	208,042	208,042	1,866,140	100.00	732,420	226,215	226,215	Note 5
Tooku Holdings Limited	Tooku Trading Corporation Limited	Hong Kong	Garment trading	19,803	17,849	-	100.00	31,973	(4)	(4)	
Tooku Holdings Limited	Rootech Pte. Limited	Singapore	Investment holding	54,809	49,402	-	70.00	34,972	(7,835)	(5,485)	
J.D. United Manufacturing Corporation Limited	J.D. United Trading Corporation Limited	Hong Kong	Garment trading	123	111	-	100.00	(291,374)	(305,736)	(305,736)	
J.D. United Manufacturing Corporation Limited	OCT Holding Company Limited	Hong Kong	Investment holding	-	-	-	100.00	(1,411,223)	(282,190)	(282,190)	
J.D. United Manufacturing Corporation Limited	Nishiku Manufacturing Corporation Limited	Hong Kong	Investment holding	-	-	-	100.00	(241,196)	(42,017)	(42,017)	
J.D. United Manufacturing Corporation Limited	J.M. Bag & Case Manufacturing Corporation Limited	Hong Kong	Investment holding and Bag & Case trading	15,355	13,840	-	100.00	(30,296)	(4,713)	(4,713)	

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Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousands)	Ownership (%)	Book value			
J.D. United Manufacturing Corporation Limited	GDM Enterprise Co., Ltd.	Cambodia	Garment processing	30,710	27,680	-	100.00	(251,150)	(34,532)	(34,532)	
J.D. United Manufacturing Corporation Limited	Nishiku Enterprise Co., Ltd.	Cambodia	Garment processing	-	-	-	100.00	-	-	-	
J.D. United Manufacturing Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	Cambodia	Garment processing	-	-	-	100.00	941,215	(412,954)	(412,954)	
J.D. United Manufacturing Corporation Limited	JD & Toyoshima Co., Ltd.	Cambodia	Garment processing	78,311	70,584	-	100.00	214,031	(76,557)	(76,557)	
J.D. United Manufacturing Corporation Limited	Gowin Success Limited	British Virgin Islands	Investment holding	-	-	-	100.00	2,425,729	(246,926)	(246,926)	
J.D. United Manufacturing Corporation Limited	Paneffort (Cambodia) Garment Co., Ltd.	Cambodia	Garment processing	42,073	37,922	-	100.00	206,845	(117,632)	(117,632)	
J.D. United Manufacturing Corporation Limited	Paneffort LLC	US	General business	11,977	10,795	-	39.00	11,977	-	-	
OCT Holding Company Limited	GDM Trading Company Limited	Hong Kong	Investment holding	30,710	27,680	-	100.00	(1,411,223)	(282,190)	(282,190)	
Nishiku Manufacturing Corporation Limited	Southbay Manufacturing Co., Ltd.	Myanmar	Garment processing	2,303	2,076	-	100.00	(238,128)	(42,080)	(42,080)	
J.M. Bag & Case Manufacturing Corporation Limited	J.M. Bag & Case (Cambodia) Co., Ltd.	Cambodia	Bag & Case processing	4,299	3,875	-	100.00	(31,237)	(21)	(21)	
Gowin Success Limited	JD United Manufacturing Pte. Limited (Singapore)	Singapore	Investment holding	-	-	-	100.00	654,476	(243,924)	(243,924)	
Gowin Success Limited	Suntex Textile Trading Corporation Limited	Hong Kong	Textile trading	-	-	-	100.00	(583)	(7)	(7)	
Gowin Success Limited	True Power Garment Corporation Ltd.	Cambodia	Garment processing	-	-	-	100.00	(59,924)	(34,700)	(34,700)	
Gowin Success Limited	Gowin Garments Corporation Limited	Hong Kong	Investment holding	-	-	-	100.00	1,831,760	(31,704)	(31,704)	
JD United Manufacturing Pte. Limited (Singapore)	Zhen Tai Garment (Cambodia) Co., Ltd.	Cambodia	Garment processing	30,710	27,680	-	100.00	(256,060)	(25,735)	(25,735)	

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Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognized for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousands)	Ownership (%)	Book value			
JD United Manufacturing Pte. Limited (Singapore)	T&K Garment Industry Co., Ltd.	Cambodia	Garment processing	26,925	24,268	-	100.00	1,038,758	(166,388)	(166,388)	
JD United Manufacturing Pte. Limited (Singapore)	Splendid Chance International Ltd.	Cambodia	Garment processing	15,355	13,840	-	100.00	(57,457)	(25,327)	(25,327)	
JD United Manufacturing Pte. Limited (Singapore)	Great Union Cambodia Garment Co., Ltd.	Cambodia	Garment processing	20,883	18,822	-	100.00	(31,382)	(26,346)	(26,346)	
Gowin Garments Corporation Limited	Nagapeace Corporation Limited	Cambodia	Garment processing	-	-	-	100.00	1,843,440	42,977	42,977	
Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Tanzania	Garment processing	377,923	340,636	-	99.97	(248,151)	(41,919)	(41,906)	
J.D. United Trading Corporation Limited	Century Hsing Investment Co., Ltd.	Myanmar	Investment holding	30,802	27,763	-	100.00	30,802	-	-	
J.D. United Trading Corporation Limited	JDU Tokyo Trading Co., Ltd.	Japan	International trading	863	778	-	100.00	42	(202)	(202)	
3Y Universal Company Limited	3Y Corporation Limited	Japan	Trading	3	3	-	100.00	(41)	(34)	(34)	
MF Holding Co., Ltd.	Faith In Blue (USA) Corporation	US	Investment holding	1,724,228	1,724,228	4,805,000	100.00	1,169,338	(98,140)	(98,140)	
Faith In Blue (USA) Corporation	Nanjing USA, Inc.	US	Fashion garment wholesaler and distributor	1,738,143	1,738,143	91	81.65	452,596	(27,873)	(97,774)	Note 4
Nanjing USA, Inc.	ADNY Apparel, Inc.	US	Fashion garment wholesaler and distributor	-	-	-	100.00	(3,929)	(21)	(21)	

Note 1: If the overseas holding company established by listed companies prepares consolidated financial statements under local regulations, information about the overseas investees can be disclosed only to the extent of the overseas holding company.

Note 2: If not qualified for the situation stated in Note 1, the above table should be made under rules as follows:

- (1) Information about the Company's investments should be filled in the "Investee", "Location", "Main business", "Initial investment" and "Shares held as at December 31, 2022" columns. The relationship between the investee and the Company should be filled in the "Footnote" column.
- (2) The net income for the year of each investee should be filled in the " Net profit (loss) of the investee for the year ended December 31, 2022 " column.
- (3) Only the investment income (loss) of subsidiaries or investees accounted for using the equity method recognized by the Company should be filled in the "Investment income (loss) recognized for the year ended December 31, 2022" column. The investment income (loss) recognized should include investment income (loss) recognized by the investee.

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Note 3: The investment amounts of Roo Hsing Co., Ltd in subsidiaries of J.D. United (BVI) Limited and Tooku Holdings Limited were acquired with the same investment amounts as previous investors.

Note 4: (1) Investment income (loss) of Investee Company J.D. United (Cayman) Limited recognized by Roo Hsing Co., Ltd. is illustrated as follows:

Net income after tax from January to December	(\$ 2,307,539)
Adjustment for difference between the related fair value of acquisition consideration allocation and net assets acquired	(195,839)
Investment loss recognized	(<u>\$ 2,502,928</u>)

(2) Investment income (loss) of Investee Company ADNY Group Inc. and Nanjing USA, Inc. recognized by Faith In Blue (USA) Corporation are illustrated as follows:

Net income after tax from January to December -Nanjing USA, Inc.	(\$ 22,758)
Adjustment for difference between the related fair value of acquisition consideration allocation and net assets acquired	(75,016)
Investment loss recognized	(<u>\$ 97,774</u>)

Note 5: The initial investment amounts at the end of the last year was the investment in MF Holding Co., Ltd., J.D. United (BVI) Limited and Tooku Holdings Limited. The Company transferred to MF Holding Co., Ltd., J.D. United (BVI) Limited and Tooku Holdings Limited during the period to RH International Holdings Limited.

Note 6: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 8

Information on investments in Mainland China

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Investee company in Mainland China	Main businesses and products	Paid-in capital (Note 1)	Method of investments (Note 2)	Accumulated outward remittance for investment from Taiwan as of January 1, 2021	Remittance of funds		Accumulated outward remittance for investment from Taiwan as of December 31, 2021	Net Income (loss) of the investee	% Ownership of direct or indirect investment	Investment gain (loss) (Note 3)	Carrying amount as of December 31, 2021	Accumulated repatriation of investment income as of December 31, 2021	Note
					Outward	Inward							
Roo Hsing Shanghai Import & Export Co., Ltd.	Garment trading	\$ 117,976 (USD3,900 thousand)	Cash (Note 1)	\$ 117,976 (USD 3,900 thousand)	\$ -	\$ -	\$ 117,976 (USD 3,900 thousand)	(\$ \$761)	100%	(\$ \$761)	(\$ \$33,435)	\$ -	
Changzhou Tooku Garments Co., Ltd.	Garment manufacturing and processing	907,808 (USD 30,000 thousand)	Cash (Note 5)	-	-	-	-	(282,190)	100%	(282,190)	(601,485)	-	
Bai Cheng Shi Mei Da Garment Co., Ltd.	Garment manufacturing and processing	67,932 (CNY 14,930 thousand)	Cash (Note 3)	-	-	-	-	9,424	100%	9,424	(91,614)	-	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Textile trading	453,900 (USD 15,000 thousand)	Cash (Note 2)	-	-	-	-	46,602	100%	46,602	535,254	-	
Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd	Garment manufacturing and processing	60,520 (USD2,000 thousand)	Cash (Note 2)	-	-	-	-	(3,690)	100%	(3,690)	(212,863)	-	
Tooku Jan Garments Co., Ltd.	Garment manufacturing and processing	30,260 (USD 1,000 thousand)	Cash (Note 2)	-	-	-	-	-	100%	-	6,903	-	
Henan Gowin Garment Corporation Limited	Garment manufacturing and processing	9,291 (USD 336 thousand)	Cash (Note 3)	-	-	-	-	(2,651)	100%	(2,651)	6,598	-	
Jiansu Xiu Jia Yu Yang Real Estate Development Limited	Real Estate Development	(Note 8)	Cash (Note 3)	-	-	-	-	(2)	50.20%	(1)	(978)	-	
Nanjing Xingao Trading Co., Ltd.	International trading	21,767 (CNY 5,000 thousand)	Cash (Note 3)	-	-	-	-	(24,024)	100%	(24,024)	(3,189)	-	
Shanghai Roo Sheng Textile Technology Development Co., Ltd.	International trading	14,501 (USD 508 thousand)	Cash (Note 6)	-	-	-	-	(5,625)	100%	(5,625)	8,490	-	

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Accumulated outward remittance for investment in Mainland China as of December 31, 2022	Investment amount authorized by Investment Commission, Ministry of Economic Affairs	Upper limit on the amount of investment stipulated by Investment Commission, Ministry of Economic Affairs
\$117,976 (USD3,900 thousand)	\$123,018 (USD3,900 thousand)	Unlimited (Note 7)

Note 1: Indirect investment in Mainland China through Fain Tei Enterprise Company Ltd. (BVI) registered in a third region.

Note 2: Indirect investment in Mainland China through J.D. United Manufacturing Corporation Limited registered in a third region.

Note 3: Indirect investment in Mainland China through Changzhou Tooku Garments Co., Ltd. registered in a third region.

Note 4: Indirect investment in Mainland China through MF Holding Co., Ltd registered in a third region.

Note 5: Indirect investment in Mainland China through GDM Trading Company Limited registered in a third region.

Note 6: Indirect investment in Mainland China through Rootech Pte. Limited registered in a third region.

Note 7: The investment amounts of Roo Hsing Co., Ltd in subsidiaries of J.D. United (BVI) Limited and Tooku Holdings Limited were acquired with the same investment amounts as previous investors.

Note 8: As of December 31, 2022, has been established but the capital that not yet injected

Note 9: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 9

Information of major shareholders
For the year ended December 31, 2022

(Expressed in thousands of shares)

No.	Name of major shareholder	Number of shares held	Percentage of shareholding (%)
1	National Development Fund, Executive Yuan	80,000,000	9.76
2	Farglory Life Insurance Inc.	75,815,004	9.25
3	HNY investment Co., Ltd.	74,133,221	9.05
4	CTBC Bank Co., Ltd. is entrusted with the custody of JDU Opportunities Co., Ltd.	56,258,000	6.86

Note 1: The information of major shareholders in the above table was calculated by the Taiwan Depository and Clearing Corp. based on the information of shareholders of the Company who hold more than 5% of ordinary shares and special shares and have been completed the non-physical registration and delivery (including treasury shares) on the last business day of the end of each quarter. As for the capital recorded in the Company's financial statements may vary from the Company's actual number of share which completed the non-physical registration and delivery due to different calculation basis or differences.

Note 2: In the above table, if the shareholder entrusts its shares to the trust, disclosure is made by the individual accounts of the trustee who opened the trust account by the grantor. As for the shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, his shareholding includes his own shares plus the shares entrusted to the trust with voting rights, etc. For information on the declaration for insider equity, please refer to Market Observatory Post System.

14. Segment information

Please refer the consolidated financial statements of Roo Hsing Co., Ltd. for the year ended December 31, 2022.

Roo Hsing Co., Ltd.
Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

	Description	Amount	Note
Cash – US\$	US\$ 17 thousand	\$ 532	
Petty cash		50	
Subtotal		582	
Cash in banks			
Demand deposits		5,561	
Checking accounts and demand deposits		1,600	
Foreign currency deposits (Note 1)		713	
Subtotal		7,874	
Total		\$ 8,456	

Note 1: Foreign currency deposits

US\$ 23 thousand (Exchange rate 30.71)

Statement Of financial assets at amortized cost - current

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Type of securities	Description	Ending balance	Note
Demand deposits	EnTie Commercial Bank, Ltd	\$ 196,930	
restricted for use	US\$ 6,413 thousand		
	Taiwan Cooperative Bank Co., Ltd.	9,400	
Total		\$ 206,330	

Roo Hsing Co., Ltd.
Statement of accounts receivable, net

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Non-related parties			
Customer A		\$ 81,615	
			The amount of individual item in others does not exceed 5% of the account balance.
Others		607	
		<u>82,222</u>	
Less: allowance for doubtful accounts		(81,615)	
Total		<u>\$ 607</u>	

Statement of other receivables

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Non-related parties			
Others		\$ 232,442	
Less: allowance for doubtful accounts		(227,342)	
Total		<u>\$ 5,100</u>	
Related parties			
Roo Hsing Garment Co., Ltd.		\$ 417,656	
Hung Hsing Garment (Cambodia) Co., Ltd.		77,478	
			The amount of individual item in others does not exceed 5% of the account balance.
Others		38,499	
Total		<u>\$ 533,633</u>	

Roo Hsing Co., Ltd.
Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Work in process		\$ 73,084	
Less: allowance for decline in market value and obsolescence		(73,084)	
Total		<u>\$ -</u>	

Statement of prepayments

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Prepayment for purchases		\$ 62,697	
Overpaid sales tax		10,208	
Others		1,411	The amount of individual item in others does not exceed 5% of the account balance.
Total		<u>\$ 74,316</u>	

Roo Hsing Co., Ltd.

Statement of non-financial assets held for sales and other current assets

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
	Equity of Operadora		
	Internacional de Zonas		
Non-financial assets	Francas (Managua),		
held for sale	S.A.	\$ 155,541	
Payment on behalf		\$ 510	

Roo Hsing Co., Ltd.

Statement of changes in investments accounted for under equity method

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

	Balance, January 1, 2022		Increase		Decrease						Balance, December 31, 2022			Net Assets value			
Investees	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Change in equity	Investment Income (loss)	Exchange differences arising on translation of foreign operations	Shares (in thousands)	Ownership %	Amount	Unit price	Total amount	Collateral	Note	
Roo Hsing Garment Co., Ltd.	-	(\$ 186,187)	-	\$ -	-	\$ --	\$ -	\$ 401,616	(\$ 5,883)	-	100.00%	\$ 209,546	\$ -	\$ 209,546	Y		
Roo Hsing Co. Nicaragua, S.A.	8,600	(1,489)	-	-	-	-	-	9,854	192	8,600	100.00%	8,557	1.00	8,557	N		
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	999,600	132,490	-	-	-	-	-	(33,534)	13,292	999,600	100.00%	112,248	0.11	112,248	N		
Operadora Internacional de Zonas Francas (Managua), S.A.	56,730	138,931	-	-	-	(149,553)	-	367	10,255	56,730	100.00%	-	-	-	N	1	
Fain Tei Enterprise Company Ltd. (BVI)	16,336,943	(176,063)	-	-	-	-	-	(170,904)	(10,710)	16,336,943	100.00%	(357,677)	(0.02)	(357,677)	N		
Roo Hsing Garment Manufacturing Co., Ltd.	41,216	14,882	-	-	-	-	-	(45,405)	1,594	41,216	100.00%	(28,929)	(0.70)	(28,929)	N		
Tien Yun Tech Storage Co., Ltd.	17,290,238	546,611	-	-	-	-	13,661	913	-	17,290,238	84.30%	561,185	0.03	561,185	N		
Intelligence Textile Technology Co., Ltd.	1,800,000	869	100,000	1,000	(1,900,000)	(1,809)	-	(60)	-	-	-	-	-	-		2	
RH International Holdings Limited	49,894	6,633,081	1,217.5	219,123	-	-	-	(4,424,907)	322,415	51,111.5	100.00%	2,749,712	72.80	2,749,712	N		
Xynergy Semiconductor Corporation Limited	10,000	848		-	(10,000)	(22,730)	-	19,920	1,962	-	-	-	-	-		2	
Subtotal		7,103,973		220,123		(174,092)	13,661	(4,242,140)	333,117			3,254,642		<u>\$ 3,254,642</u>			
Less: accumulated impairment		(31,000)		--		31,000	-	-	-			--					
Total		<u>\$ 7,072,973</u>		<u>\$ 220,123</u>		<u>(\$ 143,092)</u>	<u>\$ 13,661</u>	<u>(\$ 4,242,140)</u>	<u>\$ 333,117</u>			<u>\$ 3,254,642</u>					
Assets - Investments accounted for using equity method		\$ 7,436,712										\$ 3,641,248					
Liabilities - Credit balance of investments accounted for using equity method		(363,739)										(386,606)					
		<u>\$ 7,072,973</u>										<u>\$ 3,254,642</u>					

Note 1: In order to revitalize assets and enrich working capital, the Company passed the resolution of the board of directors on June 16, 2022 to dispose the equity of its subsidiary, Operadora Internacional de Zonas Francas (Managua), S.A. The buyer is confirmed and the sale is to be completed within one year, the book value of its assets and liabilities of \$155,541 thousand and \$5,988 thousand, respectively was transferred to the non-current assets held for sale and the liabilities directly related to the non-current assets held for sale.

Note 2: In order to focus on the business operation of the Company and adjust the investment structure; on September 28, 2022, the chairman approved to dispose of the equity of the subsidiary, Xynergy Semiconductor Corporation Limited and Intelligence Silicon Technology Co., Ltd.

Roo Hsing Co., Ltd.
Statement of right-of-use assets

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Balance, January 1	Increase	Decrease	Balance, December 31	Note
Cost					
Buildings	\$ 15,356	\$ -	(\$ 15,356)	\$ -	The details of the depreciation expense are as follows :
Transportation equipment	12,207	-	(12,207)	-	Administrative expenses <u>\$ 4,310</u>
Office and other equipment	293	-	-	293	
Total cost	<u>27,856</u>	<u>-</u>	<u>(27,563)</u>	<u>293</u>	
Accumulated depreciation					
Buildings	(12,320)	(3,035)	15,355	-	
Transportation equipment	(8,339)	(1,244)	9,583	-	
Office and other equipment	(239)	(31)	-	(270)	
Total accumulated depreciation	(20,898)	(4,310)	24,938	(270)	
Carrying amount	<u>\$ 6,958</u>	<u>(\$ 4,310)</u>	<u>(\$ 2,625)</u>	<u>\$ 23</u>	

For details of property, plant and equipment, please refer to Note 6(10).

For details of intangible assets, please refer to Note 6(13).

For details of deferred assets and liabilities, please refer to Note 6(29).

Roo Hsing Co., Ltd.

Statement of Current borrowings

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Bonds name	Purposes	Amount	Contract period	Rate	Total amount	Note
Taiwan						
Cooperative						
Bank Co., Ltd.	Letter of credit	\$ 679	111.07.08~ 112.01.04	4.1756%	\$ US\$ 3,400	1
EnTie						
Commercial			111.12.23~			
Bank, Ltd.	Mortgage	200,000	112.02.15	2.4260%	200,000	1
Total		<u>\$ 200,679</u>				

Note 1: For details of pledged of asset, please refer to Note 8.

Statement of notes payable

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Vendor name	Description	Amount	Note
Non-related parties:			
Vendor A		\$ 12,318	
Vendor B		1,804	
		<u>\$ 14,122</u>	

Roo Hsing Co., Ltd.
Statement of accounts payable

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Vendor name	Description	Amount	Note
Non-related parties			
YKKVO1		\$ 173	
GAOS04		102	
YDCO01		74	
YKKZO1		108	
Total		<u>\$ 457</u>	
Accounts payable -			
related parties			
Nagapeace			
Corporation Limited		\$ 39,094	
J.D. United Trading			
Corporation Limited		1,134	
Total		<u>\$ 40,228</u>	

Roo Hsing Co., Ltd.
Statement of other payable

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Vendor name	Description	Amount	Note
Non-related parties			
Salary and wages payable		\$ 7,263	
Interest payable		234	
Services fee payable		23,298	
Others		2,886	
Total		<u>\$ 33,681</u>	
Other payable - related parties			
Fain Tei Enterprise Company Ltd. (BVI)		\$ 15,042	
J.D. United Trading Corporation Limited		3,120	
Tien Yun Tech Storage Co., Ltd.		3,947	
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.		90,743	
Total		<u>\$ 112,852</u>	

For details of current portion of provisions, please refer to Note 6(17).

For details of liabilities directly relating to non-financial assets held for sale plant and equipment, please refer to Note 6(8).

Roo Hsing Co., Ltd.

Statement of lease liabilities

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Period	Discount rate	Balance, December 31	Note
Office and other equipment	Lease of office equipment lease	1~5 years	1.53%	<u>\$ 24</u>	

Statement of advance receipts and other current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Other advance receipts		\$ 30,725	
Temporary receipts		35	
Receipts on behalf		<u>1,877</u>	
Total		<u>\$ 32,637</u>	

Roo Hsing Co., Ltd.
Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Lendor		Purposes	Amount	Contract period	Rate	Collateral	Note
Taiwan	Business	Secured bank				Credit Guarantee	
	Bank Co., Ltd.	loans	\$ 10,153	109.06.20~112.06.20	2.470%	Fund	1
Taiwan	Business						
	Bank Co., Ltd.	Credit loan	49,774	111.03.17~112.09.17	2.525%	--	
Chang Hwa Bank		Secured bank				Credit Guarantee	
	Ltd.	loans	3,989	109.07.16~112.07.16	2.500%	Fund	1
Taiwan	Cooperative	Secured bank				Credit Guarantee	
	Bank Co., Ltd.	loans	14,835	109.11.13~112.11.13	2.470%	Fund	1
Taiwan	Cooperative	Secured bank				Credit Guarantee	
	Bank Co., Ltd.	loans	2,424	110.01.27~112.12.09	2.470%	Fund	1
Taiwan	Cooperative						
	Bank Co., Ltd.	Credit loan	3,709	109.11.13~112.11.13	2.470%	-	
Taiwan	Cooperative						
	Bank Co., Ltd.	Credit loan	606	110.01.27~112.12.09	2.470%	-	
Taiwan	Cooperative	Secured bank				Credit Guarantee	
	Bank Co., Ltd.	loans	1,665	109.12.09~112.11.18	2.470%	Fund	2
Taiwan	Cooperative						
	Bank Co., Ltd.	Credit loan	185	109.12.09~112.11.18	2.470%	-	
Taiwan	Cooperative					10% deposited to	
	Bank Co., Ltd.	Credit loan	80,000	111.02.25~114.02.25	2.801%	reserve account	
Subtotal			167,340				
Less: current portion			(120,130)				
Total			\$ 47,210				

For the loans from Credit Guarantee Fund, the Credit Guarantee Fund guarantees 80% of the loan, and the bank itself bears 20%.

For the loans from Credit Guarantee Fund, the Credit Guarantee Fund guarantees 90% of the loan, and the bank itself bears 10%.

Roo Hsing Co., Ltd.

Statement of net revenue

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Sales revenue			
Pants		\$ 396,366	
Others			The amount of individual item in others does not exceed 5% of the account balance.
		5,656	
Subtotal		402,022	
Less: sales returns and discounts		(255)	
Net operating revenue		401,767	
Other operating revenue		69,218	
Total		\$ 470,985	

Roo Hsing Co., Ltd.

Statement of operating costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Inventories, beginning balance		\$ 12,270	
Less: inventories (merchandise), ending balance		-	
Cost of merchandise sold		12,270	
Raw materials and supplies, beginning balance		36,797	
Purchase during the year		110,158	
Sold during the year	(	36,797)	
Raw materials and supplies used		110,158	
Production overheads		166,659	
Manufacturing cost		276,817	
Work in process, beginning balance		144,049	
Purchase of work in process		-	
Less: work in process sold during the year	(	3)	
Work in process, ending balance	(	73,084)	
Cost of goods manufactured		347,779	
Add: finished goods, beginning balance		24,374	
Raw materials and work in process sold during the year		36,800	
Less: finished goods, ending balance		-	
Transfer to expenses	(	1,580)	
Cost of goods sold		407,373	
Subtotal		419,643	
Add: allowance for inventory valuation and obsolescence loss		30,027	
Total		\$ 449,670	

Roo Hsing Co., Ltd.

Statement of production overheads

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Item	Amount	Note
Processing charge	\$ 138,317	
Consumables	14,897	
Others		The amount of individual item in others does not exceed 5% of the account balance.
	13,445	
Total	\$ 166,659	

Roo Hsing Co., Ltd.
Statement of operating expenses
For the year ended December 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Amount	Note
Selling expenses		
Salary	\$ 3,431	
Export and import charges	11,169	
Service fees	5,909	
		The amount of individual item in others does not exceed 5% of the account balance.
Others	2,857	
Total	\$ 23,366	
Administrative expenses		
Salary	\$ 48,959	
Depreciation	66,576	
Service fees	25,515	
		The amount of individual item in others does not exceed 5% of the account balance.
Others	21,913	
Total	\$ 162,963	
Research and development		
Salary	\$ 4,459	
Insurance expenses	369	
		The amount of individual item in others does not exceed 5% of the account balance.
Others	553	
Total	\$ 5,381	

For details of other income, please refer to Note 6(24).

For details of other gains and losses, please refer to Note 6(25).

For details of financial costs, please refer to Note 6(28).

Roo Hsing Co., Ltd.

Statement of labor, depreciation and amortization by function

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan dollars)

Classification Nature	For the year ended December 31,					
	2022			2021		
	Classified as cost of revenue	Classified as operating expenses	Total	Classified as cost of revenue	Classified as operating expenses	Total
Labor cost						
Employee salary	\$ -	\$ 54,900	\$ 54,900	\$ 1,076	\$ 71,608	\$ 72,684
Director's remuneration	-	5,125	5,125	-	6,300	6,300
Labor and health insurance	-	3,597	3,597	8	5,855	5,863
Pension	-	1,949	1,949	-	2,815	2,815
Others	-	1,442	1,442	16	2,407	2,423
Depreciation	1,168	66,576	67,744	2,337	72,627	74,964
Amortization	-	1,019	1,019	-	1,219	1,219

- For the years ended December 31, 2022 and 2021, the number of employees of the Company were 32 and 60, respectively, in which 6 employees for both years ended, only acted as director of the Company.
- The Company's average employee welfare expenses in 2022 and 2021 were \$2,380 thousand and \$1,551 thousand, respectively, the average employee salary expenses were \$2,112 thousand and \$1,346 thousand, respectively and the average employee salary expenses decreased by 56.91%.
- The Company's compensation policy (including directors, officers and employees) is described below:
 - (1) The remuneration of the directors is based on the Articles of Incorporation approved by the shareholders' meeting. The directors may be paid monthly, regardless of profit or loss, and their remuneration is authorized to be agreed

upon by the board of directors based on the value of their participation in and contribution to the operations of the Company.

- (2) The manager's compensation is determined based on his or her personal performance, the Company's operating results for the year, and an assessment of the relevance of the Company's future operations.
 - (3) The salary of employees is negotiated with employees according to the employee salary plan, and shall not be lower than the basic salary. The Company also conducts regular performance appraisals as the basis for salary and bonus adjustments, job transfers, appointments and dismissals.
4. Since the Company has established an audit committee, the supervisor position is not applicable and no disclosure of supervisors' remuneration information is required.