Stock code: 4414

Roo Hsing Co., Ltd.

Consolidated 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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Roo Hsing Co., Ltd. and Subsidiaries

Letter of Representation

For the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022), pursuant to “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the entities that are required to be included in the consolidated financial statements of affiliates, are the same entities required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Roo Hsing Co., Ltd.

Chang, Shoei-Jiang

Chairman

June 6, 2023

Independent Auditors' Report

Roo Hsing Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Roo Hsing Co., Ltd. (the "Company")and its subsidiaries (collectively referred as the "Group") as of December 31, 2022 and 2021, and the related consolidated financial statements of comprehensive income, changes in equity and cash flows for the years then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the 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 Consolidated financial statements** section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated 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(12) to the consolidated financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the consolidated financial statements for the accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the consolidated financial statements for the details of inventories account.

   Inventories of the Group 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 Group, 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 methods and assumptions for estimating inventory allowance for the losses in the current period are appropriated.

Independent Auditors' Report (Continued)

2. Revenue recognition

Please refer to Note 4(24) to the consolidated financial statements for the accounting policies of revenue recognition; refer to Note 6(25) to the consolidated financial statements for the details of revenue.

The Group is mainly engaged in the manufacturing and processing of denim clothing. The Group recognized operating revenues in the amount of NT$ 17,289,008 thousand in 2022. Operating revenues from top ten customers represented 98% of consolidated 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, 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(18) to the consolidated financial statements for the accounting policies of impairment of non-financial asset; refer to Note 6(13) to the consolidated financial statements for the details of investments accounted for under the equity method.

The Group 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 Group conducts impairment tests on relevant cash-generating units in accordance with the International Financial Reporting Standards. The Group assessed the recoverable amount by value in use 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 Group, 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.

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 Matters

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

We have audited the parent company only financial statements of Roo Hsing Co., Ltd. for the year ended December 31, 2022 on which we have issued on unqualified opinion and other matters.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Independent auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the footnote disclosures, and whether the consolidated 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 Group's investee companies accounted for under equity method to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group's investee companies. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Continued)

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 consolidated 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.
Consolidated 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)	$ 478,616	3	$ 1,020,796	5
Financial assets at amortized cost, current	6.(2)and 8	409,450	3	736,943	4
Notes receivable, net	6.(3)	-	-	217	-
Accounts receivable, net	6.(3)	1,796,209	12	2,616,879	14
Other receivables	6.(5)	1,394,955	9	662,385	3
Other receivables - related parties	6.(5)and 7	38,259	-	41,247	-
Current tax assets		220	-	118	-
Inventories	6.(6)	4,186,376	28	4,212,114	22
Prepayments	6.(7) and 7	731,571	5	754,697	4
Non-current assets held for sale	6.(8)	158,729	1	-	-
Other current assets		18,214	-	927	-
		9,212,599	61	10,046,323	52
Non-current assets					
Investments accounted for under equity method	6.(9)	11,977	-	10,795	-
Property, plant and equipment	6.(10) and 8	2,788,150	19	3,612,069	19
Right–of–use asset	6.(11) and 8	479,413	3	512,523	3
Intangible assets	6.(13)	2,629,825	17	4,793,277	25
Deferred tax assets	6.(31)	9,643	-	2,430	-
Prepayments for equipments		4,604	-	4,604	-
Guarantee deposits paid	8.	24,796	-	144,357	1
Net defined benefit assets - non-current	6.(20)	399	-	-	-
Other non-current assets		24,320	-	2,164	-
		5,973,127	39	9,082,219	48
Total assets		$ 15,185,726	100	$ 19,128,542	100

(Continued on next page)

Roo Hsing Co., Ltd.
Consolidated 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	$ 4,898,966	32	$ 5,730,137	31
Current contract liabilities	6.(25)	29,392	-	37,048	-
Notes payable	6.(16)	55,492	-	246,219	1
Accounts payable	6.(16)	2,839,696	19	2,164,397	11
Other payables		1,049,426	7	545,402	3
Other payable – related parties	7.	104,274	1	97,375	1
Current tax liabilities		68,871	1	78,579	-
Current provisions	6.(17)	17,377	-	23,818	-
Liabilities directly related non-current assets held for sale	6.(8)	33,930	-	-	-
Current lease liabilities		129,386	1	96,328	1
Advance receipts		30,711	-	-	-
Current portion of non-current borrowings	6.(18) and 8	731,339	5	410,263	2
Non-current preferred stock liabilities	6.(19)	1,020	-	30,271	-
Other current liabilities - others		15,497	-	9,264	-
		10,005,377	66	9,469,101	50
Non-current liabilities					
Long-term borrowings	6.(18) and 8	321,157	2	537,708	3
Deferred tax liabilities	6.(31)	41,883	-	258,614	1
Lease liabilities - non-current		268,166	2	319,645	2
Notes payables - non-current		-	-	19,246	-
Net defined benefits liabilities - non-current	6.(20)	-	-	1,357	-
Guarantee deposits received		865	-	3,266	-
		632,071	4	1,139,836	6
Total liabilities		10,637,448	70	10,608,937	56
Equity					
Ordinary share	6.(21)	8,189,149	54	8,189,149	43
Capital surplus	6.(22)	2,408,722	16	2,395,061	12
Retained earnings:	6.(23)				
Accumulated losses		(6,827,621)	(45)	(2,469,999)	(13)
Other equity interest		145,215	1	(187,902)	(1)
		3,915,465	26	7,926,309	41
Non-controlling interests	6.(24)	632,813	4	593,296	3
Total equity		4,548,278	30	8,519,605	44
Total liabilities and equity		$ 15,185,726	100	$ 19,128,542	100

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

Roo Hsing Co., Ltd.
Consolidated statement of comprehensive income

For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	2022	%	2021	%
		For the year ended December 31,			
Operating revenue	6.(25) and 7	$ 17,289,008	100	$ 16,487,250	100
Operating cost	6.(6) and 7	(15,452,452)	(89)	(14,291,492)	(87)
Gross profit from operations		1,836,556	11	2,195,758	13
Operating expenses					
Selling expenses	6.(28)	(1,329,940)	(8)	(1,365,736)	(8)
Administrative expenses	6.(28)	(1,540,560)	(9)	(1,589,877)	(10)
Research and development expenses		(5,793)	-	(7,871)	-
Expected credit losses	6.(3) and 6.(5)	(1,402,021)	(8)	(391,180)	(2)
		(4,278,314)	(25)	(3,354,664)	(20)
Net operations loss		(2,441,758)	(14)	(1,158,906)	(7)
Non-operating income and expenses					
Other income	6.(26) and 7	614,809	4	159,341	1
Other gains and losses	6.(27) and 7	(2,364,963)	(14)	(688,763)	(4)
Finance costs	6.(30) and 7	(384,575)	(2)	(272,787)	(2)
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method		-	-	1,533	-
		(2,134,729)	(12)	(780,676)	(5)
Net loss before tax		(4,576,487)	(26)	(1,939,582)	(12)
Income tax benefit	6.(31)	212,360	1	29,561	-
Current net loss		(4,364,127)	(25)	(1,910,021)	(12)
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.(31)	21	-	65	-
Components of the comprehensive income that will be reclassified to profit and loss:					
Exchange differences arising on translation to the presentation currency		386,292	2	(48,275)	(1)
Income tax expenses related to components that will not be reclassified to profit or loss		-		-	
Total other comprehensive income (loss)		386,208	2	(48,533)	(1)
Total comprehensive income (loss) for the year		($ 3,977,919)	(23)	($ 1,958,554)	(13)

(Continued on next page)

Roo Hsing Co., Ltd.
Consolidated statement of comprehensive income
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	Notes	For the year ended December 31, 2022	%	2021	%
Net income (loss) attributable to					
Owners of the parent company		($ 4,357,538)	(25)	($ 1,891,502)	(11)
Non-controlling interests		(6,589)	-	(18,519)	-
		($ 4,364,127)	(25)	($ 1,910,021)	(11)
Total comprehensive income (loss) attributable to					
Owners of the parent company		($ 4,024,505)	(23)	($ 1,926,960)	(13)
Non-controlling interests		46,586	-	(31,594)	-
		($ 3,977,919)	(23)	($ 1,958,554)	(13)
Earnings per share (in New Taiwan dollars)	6.(32)				
Basic earnings per share		($ 5.32)		($ 2.31)	

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

Roo Hsing Co., Ltd.
Consolidated statement of changes in equity

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

			Retained earnings	Other equity interest				
	Ordinary share	Capital surplus	Accumulated losses	Financial statements translation differences of foreign operation	Treasury shares	Total	Non-controlling interest	Total equity
Balance, January 1, 2021	$ 8,200,469	$ 2,437,183	($ 329,351)	($ 152,702)	($ 13,657)	$ 10,141,942	$ 651,814	$ 10,793,756
Appropriation of prior year's retained earnings:								
Increase capital from subsidiaries and others	-	-	-	-	-	-	333	333
Changes in equity in subsidiaries	-	(40,965)	(248,888)	-	-	(289,853)	(88,594)	(378,447)
Cancellation of treasury shares	(11,320)	(2,337)	-	-	13,657	-	-	-
Changes in non-controlling interests (From business combinations)	-	-	-	-	-	-	61,337	61,337
Enforcement of disgorgement	-	1,180	-	-	-	1,180	-	1,180
	8,189,149	2,395,061	(578,239)	(152,702)	-	9,853,269	624,890	10,478,159
Net loss for the year	-	-	(1,891,502)	-	-	(1,891,502)	(18,519)	(1,910,021)
Other comprehensive income (loss)	-	-	(258)	(35,200)	-	(35,458)	(13,075)	(48,533)
Total comprehensive income	-	-	(1,891,760)	(35,200)	-	(1,926,960)	(31,594)	(1,958,554)
Balance, December 31, 2021	8,189,149	2,395,061	(2,469,999)	(187,902)	-	7,926,309	593,296	8,519,605
Changes in equity in subsidiaries	-	13,661	-	-	-	13,661	21,978	35,639
Subsidiaries distribute cash dividends to non-controlling shareholders	-	-	-	-	-	-	(29,047)	(29,047)
	8,189,149	2,408,722	(2,469,999)	(187,902)	-	7,939,970	586,227	8,526,197
Net loss for the year	-	-	(4,357,538)	-	-	(4,357,538)	(6,589)	(4,364,127)
Other comprehensive income (loss)	-	-	(84)	333,117	-	333,033	53,175	386,208
Total comprehensive income (loss)	-	-	(4,357,622)	333,117	-	(4,024,505)	46,586	(3,977,919)
Balance, December 31, 2022	$ 8,189,149	$ 2,408,722	($ 6,827,621)	$ 145,215	$ -	$ 3,915,465	$ 632,813	$ 4,548,278

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

Roo Hsing Co., Ltd.
Consolidated 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	For the year ended December 31, 2021
Cash flows from operating activities		
Loss before income tax for the year	($ 4,576,487)	($ 1,939,582)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	617,308	626,894
Amortization expenses	296,207	329,494
Expected credit loss	1,402,021	391,180
Interest expenses	384,575	272,787
Interest income	(7,549)	(4,049)
Gain on foreign exchange, net	(111,462)	-
Share of income of subsidiaries, affiliates and joint ventures accounted for under equity method	-	(1,533)
(Gain) loss on disposal of property, plant and equipment	(551,619)	3,372
Loss (gain) on disposal of investments	10,823	(9,964)
Loss on reversal of impairment of non-financial assets	2,517,743	482,913
Gain on lease modification	(40)	(1,416)
Provision defined benefit liabilities	-	65
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	217	(173)
(Increase) decrease in accounts receivable	(718,416)	1,058,611
Decrease in accounts receivables, related parties	-	47,595
(Increase) decrease in other receivables	(827,478)	354,314
Decrease in other receivable - relate parties	2,988	178,881
Increase in inventories	(91,123)	(186,088)
Decrease in prepayments	19,115	211,494
(Increase) decrease in other current assets	(18,212)	3,319
Increase in net defined benefit assets	(504)	-
Decrease in contract liabilities	(7,656)	(831)
Decrease in notes payable	(190,727)	(19,220)
Increase (decrease) in accounts payable	686,386	(68,531)
Decrease in accounts payable to related parties	-	(235,035)
Increase (decrease) in other payables	618,238	(268,655)
Increase in other receivable - relate parties	6,899	97,375
Decrease in current provisions	(8,523)	(11,313)
Increase in advance receipts	30,711	-
Increase in other current liabilities, others	12,101	18,807
Decrease in net defined benefit assets	(1,357)	(839)
Cash outflows (used in) generated from operations	(505,821)	1,329,872
Interest received	43,073	5,125
Interest paid	(390,356)	(277,957)
Income taxes paid	(21,373)	(19,217)
Net cash (used in) generated from operating activities	(874,477)	1,037,823

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Roo Hsing Co., Ltd.
Consolidated 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 (increase) in financial assets at amortized cost	327,493	(8,785)
Acquisition of investments accounted for using equity method	-	(10,795)
Disposal of subsidiaries	13,272	-
Acquisition of property, plant and equipment	(170,708)	(329,953)
Disposal of property, plant and equipment	784,545	31,132
Decrease (increase) in guarantee deposits paid	119,264	(1,224)
Acquisition of istangible assets	(642)	(949)
Acquisition of right–of–use asset	(112,346)	-
Decrease in prepayments for equipments	-	18,933
(Increase) decrease in other non-current assets	(22,156)	597
Net cash flows generated from (used in) investing activities	938,722	(301,044)
Cash flows from financing activities		
Decrease in current borrowings	(1,165,794)	(433,752)
Increase in long-term borrowings	731,312	986,674
Repayment of long-term borrowings	(752,063)	(337,381)
(Decrease) increase in guarantee deposits received	(395)	1,968
(Decrease) increase in long-term notes payable	(19,246)	12,726
Payments of lease liability	(192,846)	(149,330)
Decrease in other non-current liabilities	-	(7,370)
Cash dividends paid	(29,047)	-
Acquisition of equity in subsidiaries	-	(403,463)
Changes in non-controlling interests	-	(333)
Other financing activities	-	1,180
Net cash flows used in financing activities	(1,428,079)	(329,081)
Effect of exchange rate changes on cash and cash equivalents	822,690	(40,782)
Net (decrease) increase in cash and cash equivalents	(541,144)	366,916
Cash and cash equivalents at beginning of year	1,020,796	653,880
Cash and cash equivalents at end of year	479,652	1,020,796
Cash and cash equivalents classified as non-current assets held for sale	(1,036)	-
Cash and cash equivalents on the balance sheet	$ 478,616	1,020,796

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

Roo Hsing Co., Ltd.
Notes to the consolidated 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 and its subsidiaries (collectixvely referred as the "Group") are 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 Company 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 consolidated 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	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, 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.	January 1, 2022

B. The Group assessed the above standards and interpretations and there is no significant impact to the Group'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 Group.

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

New standards, interpretations 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 Group assessed the above standards and interpretations and there is no significant impact to the Group's financial position and financial performance.

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

A. The Group 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	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 arising	January 1, 2024

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	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 in the portfolio. This Standard	January 1, 2023

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	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 amendments. These amendments	January 1, 2023

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	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 liability may result in the settlement of	January 1, 2024

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

4. Summary of significant accounting policies

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

(1) Compliance statement

The consolidated financial statements of the Group 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 consolidated 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 consolidated 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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(C) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. The gains or losses should transfer directly to retained earnings if the gain or loss from disposal of underlying assets is transferred to retained earnings at disposal.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2022	Percentage of ownership (%) December 31, 2021	Note
The Company	Roo Hsing Garment Co., Ltd.	Garment processing	100.00%	100.00%	
The Company	Roo Hsing Co. Nicaragua, S.A.	Garment processing	100.00%	100.00%	
The Company	Roo Hsing Garment Co., El Salvador, S.A. DEC.V.	Garment processing	100.00%	100.00%	
The Company	Operadora Internacional de Zonas Francas (Managua), S.A.	Leasing plant and property	100.00%	100.00%	24
The Company	Fain Tei Enterprise Company Ltd.(BVI)	Investment holding	100.00%	100.00%	1
The Company	JD United (BVI) Limited	Investment holding	-	-	13
The Company	Tooku Holdings Limited	Investment holding	-	-	13
The Company	Roo Hsing Garment Manufacturing Co., Ltd.	Garment processing	100.00%	100.00%	4
The Company	Intelligence Silicon Technology Co., Ltd.	Electronic materials wholesale	-	100.00%	6
The Company	Tien Yun Tech Storage Co., Ltd.	International trade, Funeral Home development, rental and sales, Renovation, or maintenance within the renewal area	84.30%	89.58%	9
The Company	RH Global Investment Limited	Investment holding	100.00%	100.00%	12
The Company	RH International Holdings Limited	Investment holding	100.00%	100.00%	13
The Company	Xynergy Semiconductor Corporation Limited	Electronic materials wholesale	-	100.00%	18
RH International Holdings Limited	JD United (Cayman) Limited	Investment holding	12.10%	1.13%	13 and 19
RH International Holdings Limited	MF Holding Co., Ltd.	Investment holding	-	100.00%	8 and 13
RH International Holdings Limited	JD United (BVI) Limited	Investment holding	100.00%	100.00%	13
RH International Holdings Limited	Tooku Holding Limited	Investment holding	-	100.00%	13
Roo Hsing Garment Co., Ltd.	Chen Tai Co., Ltd.	Garment processing and washing	100.00%	100.00%	
Fain Tei Enterprise Company Ltd.(BVI)	Roo Hsing Shanghai Import & Export Co., Ltd.	Garment trading	100.00%	100.00%	

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2022	December 31, 2021	Note
Fain Tei Enterprise Company Ltd.(BVI)	Hung Hsing Garment (Cambodia) Co., Ltd.	Garment processing	100.00%	100.00%	2
Fain Tei Enterprise Company Ltd.(BVI)	S.H. United Co., Ltd.	Garment processing	100.00%	100.00%	3
JD United (BVI) Limited	J.D. United Manufacturing Corporation Limited	Investment holding and garment trading	-	100.00%	23
JD United (BVI) Limited	3Y Universal Company Limited	Garment processing	-	-	20 and 23
JD United (BVI) Limited	JD United (Cayman) Limited	Investment holding	87.90%	98.87%	13 and 19
JD United (Cayman) Limited	J.D. United Manufacturing Corporation Limited	Investment holding and garment trading	100.00%	100.00%	23
JD United (Cayman) Limited	3Y Universal Company Limited	Garment processing	51%	51%	20 and 23
JD United (Cayman) Limited	MF Holding Co., Ltd.	Investment holding	100.00%	-	8 and 13
JD United (Cayman) Limited	Tooku Holing Limited	Investment holding	100.00%	-	13
Tooku Holdings Limited	Tooku Trading Corporation Limited	Garment trading	100.00%	100.00%	
Tooku Holdings Limited	Rootech Pte. Limited	Investment holding	70.00%	70.00%	16
Rootech Pte. Limited	Shanghai Roo Sheng Textile Technology Development Co., Ltd.	International trading	100.00%	100.00%	17
J.D. United Manufacturing Corporation Limited	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Textile trading	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	OCT Holding Company Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Nishiku Manufacturing Corporation Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	J.M. Bag & Case Manufacturing Corporation Limited	Investment holding and bag and case trading	100.00%	100.00%	

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2022	Percentage of ownership (%) December 31, 2021	Note
J.D. United Manufacturing Corporation Limited	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Tooku Jan Garments Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	J.D. United Trading Corporation Limited	Garment trading	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	GDM Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Nishiku Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	JD & Toyoshima Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Gowin Success Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Paneffort (Cambodia) Garment Co., Ltd.	Garment processing	100.00 %	100.00%	
J.D. United Trading Corporation Limited	Century Hsing Investment Co.,Ltd	Investment	100.00%	100.00%	11
J.D. United Trading Corporation Limited	JDU Tokyo Trading Co., Ltd.	International Trading	100.00%	100.00%	15
3Y Universal Company Limited	3Y Corporation Limited	Trading	100.00%	100.00%	21
OCT Holding Company Limited	GDM Trading Company Limited	Investment holding	100.00%	100.00%	

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2022	Percentage of ownership (%) December 31, 2021	Note
Nishiku Manufacturing Corporation Limited	South Bay Manufacturing Company Limited	Garment processing	100.00%	100.00%	
J.M. Bag & Case Manufacturing Corporation Limited	J.M. Bag & Case (Cambodia) Co., Ltd.	Manufacturing of bags and case	100.00%	100.00%	
Gowin Success Limited	JD United Manufacturing Pte. Limited (Singapore)	Investment holding	100.00%	100.00%	
Gowin Success Limited	Suntex Textile Trading Corporation Limited	Textile trading	100.00%	100.00%	
Gowin Success Limited	True Power Garment Corporation Ltd.	Garment processing	100.00%	100.00%	
Gowin Success Limited	Gowin Garments Corporation Limited	Investment holding	100.00%	100.00%	
GDM Trading Company Limited	Changzhou Tooku Garments Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Zhen Tai Garment (Cambodia) Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	T & K Garment Industry Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Splendid Chance International Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Great Union (Cambodia) Garment Co., Ltd.	Garment processing	100.00%	100.00%	
Gowin Garments Corporation Limited	Nagapeace Corporation Limited	Garment processing	100.00%	100.00%	
Changzhou Tooku Garments Co., Ltd.	Bai Cheng Shi Mei Da Garment Co., Ltd.	Garment processing	100.00%	100.00%	
Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Garment processing	99.97%	99.97%	
Changzhou Tooku Garments Co., Ltd.	Jiangsu Xiu Jia Yu Yang Real Estate Development Limited	Real estate development	50.20%	50.20%	7

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2022	Percentage of ownership (%) December 31, 2021	Note
Changzhou Tooku Garments Co., Ltd.	Nanjing Xing'ao Trading Co.	International Trading	100.00%	100.00%	14
Changzhou Tooku Garments Co., Ltd.	Henan Gowin Garments Corporation Limited	Garment processing	100.00%	100.00%	5
MF Holding Co., Ltd.	Faith In Blue (USA) Corporation	Investment holding	100.00%	100.00%	
Faith In Blue (USA) Corporation	Nanjing USA, Inc.	Fashion garment wholesaler and distributor	81.65%	81.65%	10
Nanjing USA, Inc.	ADNY Apparel, Inc.	Fashion garment wholesaler and distributor	100.00%	100.00%	
Tien Yun Tech Storage Co., Ltd.	Tien Le Shan Business Co., Ltd.	Management consultant	100.00%	100.00%	22

Note 1: The Group authorized the chairman to determine to increase 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 from 13,794,414 shares to 15,836,843 shares. The Group increased capital in the amount of US$500,000 in February 2020, the amount of capital was US$16,286,843 and the number of shares issued was 16,336,943 shares.

Note 2: On November 7, 2019, the Group authorized the chairman to determine to increase capital in the amount of US$50,000 for Hung Hsing Garment (Cambodia) Co., Ltd. through Fain Tei Enterprise Company Ltd. (BVI). As of December 31, 2022, the amount of capital was US$6,126,556.45 (approximately $181,805 thousand).

Note 3: The Group's Board of Directors approved on November 10, 2017 to establish S. H. United Co., Ltd. (Myanmar) through Fain Tei Enterprise Company Ltd. (BVI) in the amount of no more than US$5,000,000. As of December 31, 2022, the amount of capital was US$4,999,446.40 (approximately $151,302 thousand), including US$874,531 of equipment transferred.

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

Note 5: The Group's Board of Directors approved on November 10, 2017 to establish Henan Gowin Garments Corporation Limited through J.D. United Manufacturing Corporation Limited in the amount of no more than US$20,000 thousand. The Company's Board of Directors approved on August 7, 2019 to adjust investment structure through Changzhou Tooku Garments Co., Ltd. As of December 31, 2022, the amount of capital was RMB$2,150 thousand (approximately NT$9,291 thousand).

Note 6: The Group invested and incorporate Intelligence Silicon Technology Co., Ltd. on January 26, 2018. The Group 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 Group's board of directors approved on June 22, 2020 to increase capital in the amount of $2,000 thousand, and the Group's board of directors approved on January 13, 2021 to increase capital in the amount of $1,000 thousand. The Group'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 of the Company approved the disposal of the equity of Intelligence Silicon Technology Co., Ltd; and on October 21, 2022, signed a contract of equity transfer.

Note 7: To develop land use, Changzhou Tooku Garments Co., Ltd., a subsidiary of the Company, established Jiangsu Xiu Jia Yu Yang Real Estate Development Limited with Changzhou Hongmei Plastic Materbatch Co., Ltd. on December 17, 2018. No capital has been paid as of December 31, 2022.

Note 8: The Group established MF Holding Co., Ltd. on January 14, 2019, and the Company's board of directors approved to increase capital in the amount of US$32,700 thousand. The Company's board of directors approved on May 14, 2021, to conduct organizational restructuring for the purpose of investment efficiency. The Company's subsidiary, RH International Holdings Limited, directly hold MF Holding Co., Ltd. As of December 31, 2022, the amount of capital was US$17,682 thousand (approximately $525,509 thousand).

Note 9: The Group'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 Group held 46.5% of shares of Ten Win Business International Co., Ltd. Nevertheless, the Group 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 Group 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 Group 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 Group purchased 718,572 ordinary shares of Ten Win Business International Co., Ltd. in 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%. Please refer to Note 6(19) for details.

Note10: To extend the business territory, the Group builds its own brand and connect to larger distributors, the board of directors authorized to sign a share purchase agreement in the amount of US$9,600 thousand (approximately $297,600 thousand) with Comarg USA, Inc. to acquire 10.4% shares of Nanjing USA, Inc.; and also acquired 53% shares of ADNY Group, Inc. in the amount of US$38,400 thousand (approximately $1,190,400 thousand) from three individual shareholders of ADNY Group, Inc., and indirectly obtained the 42.4% of shares in Nanjing USA, Inc., and then total comprehensively obtained the 53% of shares in Nanjing USA, Inc. The aforesaid investment acquired through by a new wholly owned subsidiary, MF Holding Co., Ltd., Cayman Island to incorporate a wholly owned subsidiary Faith In Blue (USA) Corporation in the United States. The Group paid US$24,000 thousand on April 25, 2019, to acquire 33% of shares of ADNY Group, Inc. The Group paid US$24,000 thousand on August 2, 2019, to acquire 20% of shares of ADNY Group Inc. and 10.4% of shares of Nanjing USA, Inc. and became the controlling interest in ADNY Group, Inc. On September 17, 2020, Nanjing USA, Inc. and ADNY Group, Inc. paid US$2,400 thousand and US$9,600 thousand, respectively, to repurchased 4 shares and 14 shares of treasury shares and then canceled. After the cancellation, Faith In Blue (USA) Corporation's holding of Nanjing USA, Inc. and ADNY Group, Inc.'s shares increased from 10.4% and 53% to 10.74% and 61.63%, respectively. The Group on July 2, 2021, to increase capital in the amount of US$8,320 thousand in Nanjing USA, Inc. and obtained 16 shares. Nanjing USA, Inc. paid US$13,520 thousand to repurchased 26 shares and then canceled. After the cancellation, Faith In Blue (USA) Corporation's holdings of Nanjing USA, Inc. shares increased from 61.68% to 81.65%.

Note11: The Group incorporated Century Hsing Investment Co., Ltd on June 30, 2019, through J. D. United Trading Corporation Limited. The registered capital was US$5,000 thousand. As of December 31, 2022, the amount of capital was US$1,030 thousand.

Note12:The Group incorporated RH Global Investment Limited on June 4, 2020. No capital has been paid as of December 31, 2022.

Note13:The Group incorporated RH International Holdings Limited on June 17, 2020; and transferred MF Holding Co., Ltd., transfer to RH International Holdings Limited in June 2021. The Company's board of directors approved on September 15, 2021, to conduct organizational restructuring for the purpose of improving investment efficiency. The Company's subsidiary, RH International Holdings Limited, directly holds JD United (BVI) Limited. As of December 31, 2022, the Company's subsidiary, RH International Holdings Limited, directly holds Tooku Holdings Limited and JD United (BVI) Limited, and jointly hold JD United (Cayman) Limited with JD United (BVI) Limited.

Note14: The Group incorporated Nanjing Xing'ao Trading Co., Ltd. on May 21, 2020, through Changzhou Tooku Garments Co., Ltd. As of December 31, 2022, the amount of capital was RMB 5,000 thousand.

Note15:The Group incorporated JDU Tokyo Trading Co., Ltd. on May 22, 2020 through J.D. United Trading Corporation Limited. The registered capital was JPY1,000 thousand. As of December 31, 2022, the amount of capital was JPY3,000 thousand.

Note16:The Group incorporated Rootech Pte. Ltd. through Tooku Holdings Ltd. and Newtech Textile (Cayman) International Inc. on June 26, 2020. As of December 31, 2022, the amount of capital was US$1,813 thousand.

Note17:The Group incorporated Shanghai Roo Sheng Textile Technology Development Co., Ltd. on September 8, 2020, through Rootech Pte. Limited. As of December 31, 2022, the amount of capital was US$508 thousand.

Note18:The Group incorporated Xynergy Semiconductor Corporation Limited on September 7, 2020.

On September 28, 2022, the chairman approved the sales of the equity of the subsidiary, Xynergy Semiconductor Corporation Limited, and signed the equity transfer contract on October 21, 2022.

Note19:The Group incorporated JD United (Cayman) Ltd. through RH International Holdings Ltd. on August 26, 2020. As of December 31, 2022, the amount of capital was US$2,301 thousand.

Note20:The Group acquired 28% 3Y Universal Company Limited of the voting shares through its subsidiary JD United (BVI) Limited on January 29, 2021. The acquisition consideration was US$4,371 thousand. With the original shares of 23% held by the Group, the total shareholding reached more than half of the equity and the subsidiary therefore has been controlled by the Group.

Note21:The Group incorporated 3Y Corporation Limited through its subsidiary 3Y Universal Company Limited. As of December 31, 2022, the amount of capital was JPY10 thousand.

Note22:The Group incorporated Tien Le Shan Business Co., Ltd through Tien Yun Tech Storage Co., Ltd. As of December 31, 2022, the amount of capital was $3,200 thousand.

Note23:The Group's board of directors approved on September 15, 2021, to conduct organizational restructuring for the purpose of investment efficiency. The Company's subsidiary, JD United (BVI) Limited transferred Roo Hsing Garment Manufacturing Co., Ltd. and 3Y Universal Company Limited to the newly incorporated subsidiary, JD United (Cayman) Limited.

Note24:The Group passed the resolution of the board of directors on June 16, 2022 to disposal its subsidiary, Operadora Internacional de Zonas Francas (Managua), S.A., and completed the delivery of equity on February 20, 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the information of non-controlling interest that are material to the Group and subsidiaries is as follows:

		Non-controlling interest			
		December 31,			
		2022		2021	
Name of subsidiary	Principal place of business	Amount (in thousand)	Ownership %	Amount (in thousand)	Ownership %
Tien Yun Tech Storage Co., Ltd.	Taiwan	$ 172,692	15.70	$ 110,539	10.42
Nanjing USA, Inc.	U.S.A	426,371	18.35	404,824	18.35
3Y Universal Co., Ltd. and subsidiaries	Hong Kong	57,344	49.00	62,405	49.00
		$ 616,407		$ 577,768	

Balance sheet

	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	$ 347,076	$ 310,349

	Nanjing USA, Inc.	
	December 31,	
	2022	2021
Current assets	$ 2,367,409	$ 1,096,666
Non-current assets	25,793	27,619
Current liabilities	(1,925,291)	(676,558)
Non-current liabilities	(15,315)	(13,757)
Total net assets	$ 452,596	$ 433,970

	3Y Universal Co., Ltd. and its subsidiaries	
	December 31,	
	2022	2021
Current assets	$ 205,794	$ 136,684
Non-current assets	5,860	76
Current liabilities	(94,672)	(9,410)
Non-current liabilities	-	-
Total net assets	$ 116,982	$ 127,350

Statement of comprehensive income

	Tien Yun Tech Storage Co., Ltd.	
	For the year ended December 31,	
	2022	2021
Revenue	$ 4,121	$ 4,120
Net income (loss) for the year	$ 1,088	($ 20,755)
Total comprehensive loss for the year	$ 1,088	($ 20,755)
Comprehensive income (loss) attributable to non–controlling interest	$ 175	($ 4,361)
Dividends paid to non-controlling interest	$ -	$ -

	Nanjing USA, Inc.	
	For the year ended December 31,	
	2022	2021
Revenue	$ 5,494,532	$ 5,219,540
Net income for the year	$ 27,873	$ 29,654
Total comprehensive loss for the year	$ 27,873	$ 29,654
Comprehensive income attributable to non–controlling interest	($ 5,115)	($ 4,933)
Dividends paid to non-controlling interest	$ -	$ -

	3Y Universal Co., Ltd. and its subsidiaries	
	For the year ended December 31,	
	2022	2021
Revenue	$ 735,394	$ 734,842
Net income for the year	$ 35,822	$ 11,529
Total comprehensive income for the year	$ 35,822	$ 11,529
Comprehensive income attributable to non–controlling interest	$ 17,047	$ 2,420
Dividends paid to non-controlling interest	($ 29,047)	$ -

Statement of cash flow

	Tien Yun Tech Storage Co., Ltd.	
	For the year ended December 31,	
	2022	2021
Net cash generated from (used in) operating activities	$ 3,671	($ 875)
Net cash generated from financing activities	44	-
Net cash used in investing activities	(4,100)	(3,000)
Increase (decrease) in cash and cash equivalents	$ 385	($ 3,875)

	Nanjing USA, Inc	
	For the year ended December 31,	
	2022	2021
Net cash (used in) generated from operating activities	($ 105,754)	$ 538,869
Net cash used in financing activities	-	(407,820)
Net cash used in investing activities	(471)	-
Increase (decrease) in cash and cash equivalents	($ 106,225)	$ 131,049

	3Y Universal Co., Ltd. and its subsidiaries	
	For the December 31,	
	2022	2021
Net cash generated from operating activities	$ 4,280	($ 71,455)
Net cash used in investing activities	-	(80)
Increase (decrease) in cash and cash equivalents	$ 4,280	($ 71,536)

(4) Foreign currency transactions

The consolidated financial statements are presented in New Taiwan dollars, which is the Group'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.

(5) 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 Group 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 Group classified its liabilities that do not meet above criteria as non-current liabilities.

(6) 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.

(7) 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 Group'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 Group 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 in recognized in profit or loss when the asset is derecognized or impaired.

(8) 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 Group as effect of discounting is immaterial.

(9) Impairment of financial assets

On each balance sheet date, the Group'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.

(10) Derecognition of financial assets

The Group 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 Group 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 Group has not retained control of the financial asset.

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

A. Based on the term of a lease contract, a lease is classifies 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 record 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 record 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.

(12) 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.

(13) Non-current assets held for sale (or disposal group)

Non-current assets are classified as assets held for sale (or disposal group) 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.

(14) Investments accounted for under the equity method

A. Affiliated enterprises refer to all the companies that the Group has a significant influence on, and usually directly or indirectly hold more than 20% of its shares with voting rights. The Group 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 Group recognizes proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Group'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 Group's interest in that affiliated enterprises (including any other unsecured receivables), the Group discontinues to recognizing the further loss of the affiliated company, unless the Group has a statutory obligation, a constructive obligation, or has paid on behalf of the affiliated enterprises.

C. The Group'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 Group and its affiliated enterprises are eliminated to the extent of the Group'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 Group.

E. When the Group 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.

(15) 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 Group 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
Transportation equipment	5	years

(16) 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 Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

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.

(17) Intangible assets

A. Trademark

Trademark acquired separately are recognized at acquisition cost, and trademarks acquired as a result of a business combinations are recognized at fair value on the acquisition date. Trademark rights are amortized on a straight-line basis over the limited useful life of 10 years.

B. Computer software

Computer software are recognized at acquisition cost, and is amortized on a straight-line basis over the estimated useful life of 3 to 5 years.

C. Customer relationship

The cost of customer relationship is amortized on a straight-line basis over the estimated useful life is 10 years.

D. Goodwill

Goodwill arises from business mergers and acquisitions

(18) Impairment of non-financial assets

The Group 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.

(19) Borrowings

A. Borrowings refer to the non-current and current loans borrowed from the bank and other long-term and short-term loans. The Group 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.

(20) 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 Group as effect of discounting is immaterial.

(21) Provisions

Provisions are recognized when the Group 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.

(22) 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 Group 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 Group terminates the employee's contract before normal retirement date or when the employee decides to accept the Group's offer of benefits instead of the termination of the contract. The Group 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.

(23) 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 Group 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 Group 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 Group assessed the impact of the basic income tax on the Consolidated financial statements for current period income tax.

(24) Revenue recognition

A. Sales of goods

(A) The Group 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 Group 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 Group 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 Group's sale of goods is from 30 to 90 days. For most of the contracts, when the Group 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 Group 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 Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

B. Rendering of services

(A) The Group provides processing and washing services. Such services are separately priced or negotiated, and provided based on contract periods. As the Group provides the services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. 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 Group are collected evenly throughout the contract periods. When the Group 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 Group 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.

(25) Business combinations

A. The Group uses the acquisition method for the business combination. The consideration is calculated based on the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued, and the transferred consideration includes the fair value of any assets and liabilities arising from the contingent consideration agreement. Acquisition-related costs are recognized as an expense as incurred. All assets acquired and liabilities assumed in a business combination are measured at acquisition-date fair value. The Group is based on individual acquisition transactions, if the components of non-controlling interests are current ownership interests and its holders are entitled to a pro rata share of the net assets of the enterprise when liquidation occurs, choice in measurement at acquisition-date fair value or the non-controlling interests; or the non-controlling interests' proportionate share of net assets of the acquiree. All other components of non-controlling interests are measured at their acquisition-date fair value.

B. If the transferred consideration, the non-controlling interests of acquiree and the total fair value of interests in the acquiree previously held exceeds the fair value of the identifiable assets acquired and liabilities assumed, it is recognized as goodwill on the acquisition date; if the fair value of the identifiable assets acquired and liabilities assumed exceeds the total fair value of the transferred consideration, the non-controlling interests of the acquiree, and the fair value of the interests in the acquiree previously held, the difference is recognized on the acquisition date for the current profit and loss.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the strategic business unit. The strategic business unit, who is responsible for allocating resources and assessing performance of the operation segments, has been identified as the board of directors that makes strategic decisions.

(27) Earnings per shares

The Group presents basic and diluted earnings per share (''EPS'') data for its ordinary share. Basic EPS is calculated by dividing the net income attributable to shareholders of the Group 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.

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

The preparation of the consolidated financial statement requires management to make critical judgments in applying the Group'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 Group's accounting policies

Operating lease commitment - the Company as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Critical accounting estimates and assumptions

The Group 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 and intangible assets (except for goodwill)

In the process of impairment assessment on assets, the Group 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 Group may result in a material impairment in the future.

On December 31, 2022, the book value of property, plant and equipment and intangible assets recognized by the Group after the impairment loss was $2,788,150 thousand and $809,527 thousand, respectively.

Evaluation of goodwill

The evaluation process of impairment of goodwill relies on the subjective judgment of the Group, including identifying cash-generating units, allocating assets and liabilities and goodwill to related cash-generating units, and determining the recoverable amount of related cash-generating units.

On December 31, 2022, the goodwill recognized by the Group after impairment loss was $1,800,776 thousand.

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid changes in technology, the Group 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 Group's carrying amount of inventories is $4,186,376 thousand.

6. Details of significant accounts

(1) Cash and cash equivalents

	December 31,			
	2022		2021	
Cash on hand and working capital	$	18,775	$	98,033
Checking accounts and demand deposits		459,841		922,763
Total	$	478,616	$	1,020,796

A. The Group 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 Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

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

(2) Financial assets measured at amortized cost

	December 31,			
	2022		2021	
Demand deposits restricted for use	$	409,450	$	476,751
Time deposits		-		260,192
Total	$	409,450	$	736,943

A. The trading parties of the Group 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	December 31, 2021
Notes receivable	$ -	$ 217
Less: allowance for doubtful accounts	-	-
Subtotal	-	217
Accounts receivable	3,910,522	3,232,723
Less: allowance for doubtful accounts	(2,114,313)	(615,844)
Subtotal	1,796,209	2,616,879
Total	$ 1,796,209	$ 2,617,096

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

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

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

	December 31, 2022	December 31, 2021
Not past due	$ 1,692,552	$ 1,886,667
Past due less than 90 days	96,780	149,087
Past due 91 - 180 days	30,203	84,283
Past due over 181 days	2,090,987	1,112,903
Total	$ 3,910,522	$ 3,232,940

D. The Group 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	-	$ 1,692,552	$ -	$ 1,692,552
Past due less than 90 days	-	96,780	-	96,780
Past due 91 - 180 days	50%～100%	30,203	(28,867)	1,336
Past due over 181 days	100%	2,090,987	(2,085,446)	5,541
Total		$ 3,910,522	($ 2,114,313)	$ 1,796,209

December 31, 2021	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	-	$ 1,886,667	$ -	$ 1,886,667
Past due less than 90 days	-	149,087	-	149,087
Past due 91 - 180 days	-	84,283	-	84,283
Past due over 181 days	50%～100%	1,112,903	(615,844)	497,059
Total		$ 3,232,940	($ 615,844)	$ 2,617,096

E. Notes receivable of the Group are not overdue, and accounts receivables over 360 days overdue are recognized in full as provision for impairment as the possibility of collection is considered low.

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

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

	Accounts receivable
At January 1, 2022	$ 615,844
Addition for the current year	1,394,271
Write off as irrecoverable	(10,584)
Exchange differences	114,782
At December 31, 2022	$ 2,114,313
At January 1, 2021	$ 232,528
Addition for the current year	392,561
Write off as irrecoverable	(1,381)
Exchange differences	(7,864)
At December 31, 2021	$ 615,844

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

(4) Transfer of financial assets

Derecognition of part of transferred financial assets

The Group has signed contracts for factoring accounts receivable without recourse and accounts receivable with partially recourses with financial institutions. Not only the Group 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 (Hong Kong) Limited	$ 8,457	$ 8,457	$ 8,457	4.9155%～5.7555%
The HongKong and Shanghai Banking Corporation Limited	1,985,541	1,985,541	1,757,692	6.76%～7.28%
Total	$ 1,994,088	$ 1,994,088	$ 1,766,239	

December 31, 2021

Transferee	Total amount transferred	Sales consideration	Amount paid	Interest rate range
The HongKong and Shanghai Banking Corporation Limited	$ 1,365,174	$ 1,365,174	$ 1,185,683	1.0237%

As of December 31, 2022 and 2021, the consideration has not been collected from the bank, and the amount due to the sale of accounts receivable to financial institutions has been transferred to other receivables. Please refer to Note 6 (5) for details.

(5) Other receivables and other receivable from related parties

	December 31, 2022	December 31, 2021
Financing	$ 60,887	$ 54,921
Income tax refund receivable	39,862	110,120
Interest receivable	38,149	34,542
Land receivable	583,490	-
Factoring of accounts receivable without recourse (to be collected from the bank)	227,849	179,491
Others	735,937	543,695
Less: allowance for doubtful accounts	(291,219)	(260,384)
Subtotal	1,394,955	662,385
Other receivable – related parties	38,259	41,247
Less: allowance for doubtful accounts	-	-
Subtotal	38,259	41,247
Total	$ 1,433,214	$ 703,632

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

	Other receivable
At January 1, 2022	$ 260,384
Additions for current year	7,750
Exchange differences	23,085
At December 31, 2022	$ 291,219
At January 1, 2021	$ 266,479
Exchange differences	(6,095)
At December 31, 2021	$ 260,384

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

(6) Inventories

	December 31, 2022	December 31, 2021
Raw materials and supplies	$ 633,558	$ 573,307
Work-in-process	752,007	1,429,317
Finished goods	2,777,660	1,518,616
Merchandise	23,151	690,874
Total	$ 4,186,376	$ 4,212,114

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

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cost of sales	$ 15,339,905	$ 14,262,586
Impairment losses	112,547	28,906
Total	$ 15,452,452	$ 14,291,492

(7) Prepayments

	December 31, 2022	December 31, 2021
Prepayment for purchases	$ 683,219	$ 687,220
Prepaid sales tax	17,298	15,740
Overpaid sales tax	10,497	9,980
Prepaid expenses	11,291	16,280
Others	9,266	25,477
Total	$ 731,571	$ 754,697

(8) Non-current assets held for sale

A. Category of assets held for sales and disposal:

	December 31, 2022
Cash and cash equivalents	$ 1,036
Other receivables	25,037
Prepayments	36
Property, plant and equipment	132,323
Guarantee deposits paid	297
Total	$ 158,729

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

	December 31, 2022
Other payables	$ 31,924
Guarantee deposits received	2,006
Total	$ 33,930

C. In order to revitalize assets and enrich working capital, the Group 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 $158,729 thousand and $33,930 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

	December 31,			
	2022		2021	
Investees companies	Amount	% of ownership	Amount	% of ownership
Investments in subsidiaries				
3Y Universal Co., Ltd	$ -	-	$ -	-
Paneffort, LLC.	11,977	39%	10,795	39%
Total	$ 11,977		$ 10,795	

The Group acquired 23% of the voting shares of 3Y Universal Co., Ltd, through its subsidiary JD United (BVI) Limited on October 31, 2019. The acquisition consideration was $84,544 thousand. The Group acquired 28% of voting shares of 3Y Universal Co., Ltd. on January 29, 2022 and the acquisition consideration was $124,748 thousand. Voting shares, together with the original 23% shareholding of the Group, have acquired more than half of the shares and control. The Group acquired 39% of the voting shares of Paneffort, LLC. in November 2021 and the acquisition consideration was US$390,000 (approximately $10,795 thousand). The investments are not material to the Group and the summarized financial information of the associates is as follows:

	For the years ended December 31	
	2022	2021
Loss from continuing operations	$ -	$ 1,533
Other comprehensive income (net of tax)	-	-
Total comprehensive income	$ -	$ 1,533

(10) Property, plant and equipment

	December 31	
	2022	2021
Self-used property, plant and equipment	$ 2,788,120	$ 3,612,024
Operating lease of property, plant and equipment	30	45
Total	$ 2,788,150	$ 3,612,069

	Land	Buildings	Machinery and equipment	Office and other equipment	Transportation equipment	Property under construction	Total
Cost							
At January 1, 2022	$ 919,667	$ 826,150	$ 3,046,836	$ 1,734,424	55,992	251,957	$ 6,835,026
Additions	-	-	30,774	29,570	2,332	108,032	170,708
Disposals	(99,891)	(161,625)	(231,635)	(610,771)	(3,691)	-	(1,107,603)
Reclassified	(54,982)	(132,877)	127,811	444,037	3,657	(145,475)	242,171
Exchange differences	10,241	69,097	247,830	125,848	2,994	18,907	474,917
At December 31, 2022	$ 775,035	$ 600,745	$ 3,221,616	$ 1,723,108	$ 61,284	$ 233,421	$ 6,615,209
At January 1, 2021	$ 923,847	$ 756,310	$ 3,181,025	$ 1,684,206	55,562	201,768	$ 6,802,718
Additions	-	36,212	61,275	35,375	1,798	195,293	329,953
Disposals	-	(7,340)	(66,786)	(8,021)	(2,491)	(21,170)	(105,808)
Reclassified	-	60,341	(28,375)	78,730	2,182	(119,069)	(6,191)
Exchange differences	(4,180)	(19,373)	(100,303)	(55,866)	(1,059)	(4,865)	(185,646)
At December 31, 2021	$ 919,667	$ 826,150	$ 3,046,836	$ 1,734,424	$ 55,992	$ 251,957	$ 6,835,026
Accumulated depreciation and impairment:							
At January 1, 2022	$ 9,962	$ 423,203	$ 1,732,765	$ 1,009,081	$ 47,946	$ -	$ 3,222,957
Disposals	-	(110,371)	(168,312)	(593,616)	(2,388)	-	(874,687)
Depreciation	-	43,984	257,343	153,134	3,458	-	457,919
Impairment loss	-	52,358	324,363	15,347	365	-	392,433
Reclassified	(9,962)	(77,613)	(681)	441,387	1,740	-	354,871
Exchange difference	-	37,352	167,725	65,139	3,350	-	273,566
At December 31, 2022	$ -	$ 368,913	$ 2,313,203	$ 1,090,472	$ 54,471	$ -	$ 3,827,059

	Land	Buildings	Machinery and equipment	Office and other equipment	Transportation equipment	Property under construction	Total
At January 1, 2021	$ 9,962	$ 399,004	$ 1,592,095	$ 879,462	$ 46,435	$ -	$ 2,926,958
Disposals	-	(6,973)	(59,806)	(2,160)	(2,365)	-	(71,304)
Depreciation	-	44,966	267,334	137,495	4,032	-	453,827
Impairment loss	-	-	7,029	-	-	-	7,029
Reclassified	-	(3,329)	(20,765)	22,791	720	-	(583)
Exchange difference	-	(10,465)	(53,122)	(28,507)	(876)	-	(92,970)
At December 31, 2021	$ 9,962	$ 423,203	$ 1,732,765	$ 1,009,081	$ 47,946	$ -	$ 3,222,957
Net book value							
At December 31, 2022	$ 775,035	$ 231,832	$ 908,413	$ 632,636	$ 6,813	$ 233,421	$ 2,788,150
At December 31, 2021	$ 909,705	$ 402,947	$ 1,314,071	$ 725,343	$ 8,046	$ 251,957	$ 3,612,069

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 Group are land and buildings and office equipment with the lease period usually ranges from one to fifteen 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:

	December 31, 2022	For the year ended December 31, 2021	December 31, 2022	For the year ended December 31, 2021
	Carrying amount	Depreciation	Carrying amount	Depreciation
Lands	$ 13,619	$ 2,320	$ 14,443	$ 2,167
Land-use-rights	15,801	141	8,118	384
Buildings	387,113	152,452	426,395	164,964
Machinery and equipment	47,379	-	42,705	-
Transportation equipment	-	1,406	4,020	2,667
Office equipment	23	31	54	47
Others	15,478	3,039	16,788	2,838
Total	$ 479,413	$ 159,389	$ 512,523	$ 173,067

C. The increase of the Group's right-of-use assets in 2022 and 2021 was $112,346 thousand and $94,943 thousand, respectively.

D. The income and expenses related to the lease contract are recognized as follows:

	December 31,	
	2022	2021
Expenses for short-term lease contract	$ 34,960	$ 90,769

E. The total cash outflows for the lease of the Group in 2022 and 2021 amounted to $227,806 thousand and $149,330 thousand.

(12) Leasing arrangements as lessor

A. The underlying assets leased by the Group are lands, 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 Group recognized the rental income from operating lease contracts of $4,120 thousand in 2022 and 2021 respectively, of which none of the rental income were recognized as variable lease payments.

(13) Intangible assets

	Computer software	Trademark	Customer relationship	Goodwill (including human recourses)	Total
Cost					
As January 1, 2022	$ 212,607	$ 1,844	$ 3,122,240	$ 5,337,379	$ 8,674,070
Additions	642	-	-	-	642
Disposals	(9,540)	-	-	-	(9,540)
Exchange differences	18,911	202	93,923	68,343	181,379
At December 31, 2022	$ 222,620	$ 2,046	$ 3,216,163	$ 5,405,722	$ 8,846,551
At January 1, 2021	216,753	1,897	3,147,038	5,191,649	8,557,337
Additions	946	-	-	163,580	164,529
Exchange differences	(5,095)	(53)	(24,798)	(17,850)	(47,796)
At December 31, 2021	$ 212,607	$ 1,844	$ 3,122,240	$ 5,337,379	$ 8,674,070
Amortization and Impairment:					
At January 1, 2022	$ 71,886	$ 1,843	$ 1,207,389	$ 2,599,675	$ 3,880,793
Amortization	11,871	-	284,336	-	296,207
Impairment loss	118,596	-	888,895	1,005,272	2,012,763
Disposal	(9,246)	-	-	-	(9,246)
Exchange differences	9,991	203	26,016	(1)	36,209
At December 31, 2022	$ 203,098	$ 2,046	$ 2,406,636	$ 3,604,946	$ 6,216,726

	Computer software	Trademark	Customer relationship	Goodwill (including human recourses)	Total
At January 1, 2021	$ 52,497	$ 1,798	$ 898,679	$ 2,128,893	$ 3,081,867
Amortization	20,687	97	308,710	-	329,494
Impairment loss	-	-	-	475,884	475,884
Exchange differences	(1,298)	(52)	-	(5,102)	(6,452)
At December 31, 2021	$ 71,886	$ 1,843	$ 1,207,389	$ 2,599,675	$ 3,880,793
Net book value					
At December 31, 2022	$ 19,522	$ -	$ 809,527	$ 1,800,776	$ 2,629,825
At December 31, 2021	$ 140,721	$ 1	$ 1,914,851	$ 2,737,704	$ 4,793,277

A. The details of amortization of intangible assets are as follows:

	For the year ended December 31, 2022	2021
Operating costs	$ 270	$ 1,155
Operating expense	295,834	328,202
Research and development expenses	103	137
	$ 296,207	$ 329,494

B. Allocation of goodwill to the Group's cash-generating units (CGU) identified by operating segment:

	December 31, 2022	2021
Cash-generating unit A	$ 1,284,698	$ 2,272,545
Cash-generating unit B (Note)	516,078	465,159
	$ 1,800,776	$ 2,737,704

Note: The difference between the carrying amount of goodwill as of December 31, 2022 and December 31, 2021 is due to the exchange rate differences.

Cash-generating unit A

The recoverable amounts of cash generating unit A were $2,716,668 thousand and $9,143,175 thousand as of December 31, 2022 and 2021, respectively. The recoverable amount is determined by value in use, and the value in use is calculated using the cash flows forecast approved by the management at the five-year financial budget. Cash flow forecast has been updated to reflect changes in related operating conditions. The pre-tax discount rates used in the cash flow forecast were 1.38%~14.4% and 11.4%~12.47% as of December

31 2022 and 2021, respectively. And the cash flow over the five-year period was extrapolated at a growth rate of 2% as of December 31, 2022 and 2021, respectively. This growth rate is equivalent to the average of the industry. Based on the results of this analysis, management had recognized impairment losses of $1,005,272 thousand and $475,884 thousand in 2022 and 2021, respectively.

Cash generating unit B

The recoverable amount of cash generating unit B was $1,584,452 thousand and $2,005,001 thousand as of December 31, 2022 and 2021, respectively. The recoverable amount is determined by value in use, and the value in use is calculated using the cash flow forecast approved by the management at the five-year financial budget. Cash flow forecast has been updated to reflect changes in related operating conditions. The pre-tax discount rate used in the cash flow forecast was 11.5% and 11.4% as of December 31, 2022 and 2021, respectively. And the cash flow over the five-year period was extrapolated at a growth rate of 2% and 2.2% as of December 31, 2022 and 2021, respectively. This growth rate is equivalent to the average growth rate of the industry. Based on the results of this analysis, cash-generating unit B was not impaired in 2022 and 2021.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit A and B are most sensitive to the following assumptions:

(A) Gross margin

(B) Discount rates

(C) Growth rate of cash flows beyond budget period

Gross margins:	Gross margins are based on the gross margins of the latest fiscal year budget and future trend of the market.
Discount rates:	Discount rates reflect the current market assessment of the risks specific to each CGU (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking

	into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.
Growth rate of sales estimates:	The growth rate of sales was estimated by historical experience. The long-term average growth rate the Company predicted was adjusted by considering the product life cycle and the macroeconomic environment.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of all CGU, the management believes that there is no likely change in the aforementioned key assumptions that would cause the cash-generating unit's carrying amount to materially exceed its recoverable amount

Information modification for comparative periods

The Group does not hold intangible assets with indefinite useful lives. Goodwill acquired through business combinations has been allocated to each CGU expected to benefit from synergies of business combinations. The Company tests the recoverable amount of goodwill for impairment as of the last day of every fiscal year, calculating recoverable amount from value in use. The value in use is determined based on cash flow projections discounted by the post-tax discount rate from financial budgets approved by management covering a thirteen-year period. The projected cash flows reflect change in demand for products. The Group has evaluated the impairment for the recoverable amount of goodwill. As of December 31, 2022, the Company has recognized accumulated impairment loss of NT$3,604,946 thousand.

Though The Group's board of directors approved on 12 February 2019 to execute the share purchase agreement which was signed by the Company and Nanjing USA, Inc., the sales profits and cash inflows of the original orders still belonged to the original business unit. The existing production capacity of the Group was based on the processing services provided by existing suppliers. Whether the share purchase agreement was completed or not does not affect the business relationship between the Company and Nanjing USA, Inc., hence, the Company included the sales orders of Nanjing USA, Inc. while preparing the financial forecast as the basis for the goodwill impairment assessment. However, according to Letter Financial-Supervisory-Securities-Auditing No. 1080314371 issued by the Financial Supervisory Commission R.O.C. and the follow-up letters, the benefits of acquiring Nanjing USA, Inc. could not be included in the assessment of goodwill impairment, the Company excluded the effects from the evaluation of the goodwill impairment assessment starting from 2018, and recognized the impairment loss on goodwill in the amount of $1,102,819 thousand.

Nanjing USA Inc. is an important jeans supplier of Walmart in the United States. Nanjing USA Inc. is constantly looking for a production base outside China to avoid the possible impact of the China–United States trade war. It is necessary and reasonable for Nanjing USA Inc. to negotiate business transactions with the Group. The Company has planned and made the strategic adjustment to new sales channels in its business policy, the best arrangement according to the Company's business strategy is to add new orders from Nanjing USA Inc. and reduce orders from other customers.

Recognizing the impairment loss of intangible assets – goodwill that was mentioned above was due to the different revenue assumptions while making the goodwill impairment assessment forecast. It does not affect the Group's production capacity arrangement and the plan to transfer sales order to avoid the possible impact on Nanjing USA Inc. as a result of the China–United States trade war.

(14) Impairment of non-financial assets

The impairment loss recognized in the profit and loss of the Group in 2022 and 2021 was $2,405,196 thousand and $7,029 thousand, respectively, and the details are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Impairment loss		
Buildings	$ 52,358	$ -
Machinery and equipment	324,363	7,029
Office and other equipment	15,347	-
Transportation equipment	365	-
Computer software	118,596	-
Customer relationship	888,895	-
Goodwill	1,005,272	-
	$ 2,405,196	$ 7,029

(15) Current borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ -	$ 540,000
Secured bank and finance company loans	4,808,440	4,972,915
Letter of credit	90,526	217,222
Total	$ 4,898,966	$ 5,730,137
Interest rate range (%)	1.13%~7.40%	1.15%~6.00%

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

(16) Notes and accounts payable

	December 31, 2022	December 31, 2021
Notes payable	$ 55,492	$ 246,219
Accounts payable	2,839,696	2,164,397
Total	$ 2,895,188	$ 2,410,616

(17) Provisions

	Provisions for employee benefits	Provision for sales return and sales discount	Total
At January 1, 2022	$ 1,991	$ 21,827	$ 23,818
Addition during the year	1,017	-	1,017
Used during the year	-	(9,540)	(9,540)
Exchange difference	37	2,045	2,082
At December, 2022	$ 3,045	$ 14,332	$ 17,377
At January 1, 2021	$ 1,991	$ 33,140	$ 35,131
Used during the year	-	(10,494)	(10,494)
Exchange difference	-	(819)	(819)
At December, 2021	$ 1,991	$ 21,827	($ 23,818)

Analysis of provisions was as follow:

	December 31, 2022	December 31, 2021
Current	$ 17,377	$ 23,818

(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, 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.

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Lenders	December 31, 2022	Interest rate (%)	Maturity date and terms of repayment
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.
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.
En Tie Bank (secured loan in US$4,615 thousand)	141,726	4.79	Starting from April 29, 2021 to April 29, 2023. Repayment is paid every 3 months after the 15th months for 8 installments. Interest is paid monthly.
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$12,479 thousand)	383,240	2.94	Repayable from November 10, 2022 to March 31, 2024. The principal is repaid according to the repayment schedule. Interest and is paid monthly.
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$5,417 thousand)	166,346	6.79	Repayable monthly from January 12, 2021 to January 12, 2024, in 36 installments. Interest is paid monthly.

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Lenders	December 31, 2022	Interest rate (%)	Maturity date and terms of repayment
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$5,111 thousand)	156,962	6.79	Repayable monthly from November 12, 2021 to November 12, 2024, in 36 installments. Interest is paid monthly.
Navigator Financial Leasing Co., Ltd. (secured loan in US$901 thousand)	27,668	12.07	Repayable monthly from November 26, 2021 to November 26, 2023, in 24 installments. Interest and is paid monthly.
Navigator Financial Leasing Co., Ltd. (secured loan in US$300 thousand)	9,214	6.03	Repayable monthly from October 26, 2021 to October 26, 2023, in 24 installments. Interest is paid monthly.
Subtotal	1,052,496		
Less: non-current borrowings expired within an operating cycle	(731,339)		
Total	$ 321,157		

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 and principal is paid monthly with the annuity method.
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, 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.

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Lenders	December 31, 2021	Interest rate (%)	Maturity date and terms of repayment
Taiwan Cooperative Bank Co., Ltd.	3,835	1.00	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.	6,000	1.50	Repayable monthly from December 9, 2020 to December 9, 2023, in 36 installments. Interest paid monthly in the first 12 installments. Interest and principal is paid monthly with annuity method.
Chailease Speciality Finance Co., Ltd.	43,720	2.75	Repayable monthly from March 10, 2021 to March 10, 2023, in 24 installments. Interest is paid monthly.
En Tie Bank (secured loan in US$8,320 thousand)	238,298	3.18	Repayable monthly from April 29, 2021 to April 29, 2024, in 24 installments. Interest is paid monthly.
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$10,417 thousand)	288,333	2.94	Repayable monthly from January 12, 2021 to January 12, 2024, in 36 installments. Interest is paid monthly.
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$7,778 thousand)	215,289	2.95	Repayable monthly from November 12, 2021 to November 12, 2024, in 36 installments. Interest is paid monthly.
The HongKong and Shanghai Banking Corporation Limited (secured loan in US$1,286 thousand)	35,589	2.50	Starting from May 9, 2017 to May 9, 2022. Repayment is paid every 3 months for 20 installments. Interest is paid monthly.
Toyoshima and Co., Ltd. (secured loan in US$70 thousand)	1,938	2.00	Starting from October 14, 2015 to September 30, 2022. Repayment is paid every 6 months for 11 installments. Interest is paid in every 6 month.
Navigator Financial Leasing Co., Ltd. (secured loan in US$1,558 thousand)	43,117	12.07	Repayable monthly from November 26, 2021 to November 26, 2023, in 26 installments. Interest is paid monthly.

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Lenders	December 31, 2021	Interest rate (%)	Maturity date and terms of repayment
Navigator Financial Leasing Co., Ltd. (secured loan in US$23 thousand)	647	11.99	Repayable monthly from June 21, 2019 to June 21, 2022, in 36 installments. Interest is paid monthly.
Subtotal	947,971		
Less: non-current borrowings expired within an operating cycle	(410,263)		
Total	$ 537,708		

(19) Non-current preferred stock liabilities

	December 31, 2022	December 31, 2021
Type B preferred stock	$ -	$ 24,000
Type C preferred stock	1,020	6,120
	1,020	30,120
Less: preferred stock discount - type B preferred stock	-	(151)
	1,020	30,271
Less: current portion	(1,020)	(30,271)
Total	$ -	$

The convertible preferred stocks issued by the Company cannot be exempted from the obligation to pay in cash or financial assets to the holders; therefore, the conversion options for the convertible preferred stocks are separated from the main debt in accordance with the regulations and are separately recognized as equity and liabilities. The main debt is in the amount of the fair value measured at the issuance date; the equity composition is the balance the original issuance price subtracts from the fair value of the components of the liability and is recorded as capital surplus.

The Group issued 8,000 thousand shares of type B preferred stocks on January 9, 2015 with par value of $10. The preferred stocks were issued at par value for a total of $80,000 thousand. The type B preferred stocks are convertible, of which 5,600 shares and 2,400 shares were converted into ordinary shares in November 2021 and January 2022.

The terms of issuance of type B preferred stocks are as follows:

A. In accordance with Company Act, the Group will recall all outstanding type B preferred stocks with a price of actual issuance price plus the unpaid dividends and the end of the dividends which should be distributed in prior to the recall date at the end of seventh year from the date of issuance.

B. The annual rate is stated as 2%. Once there are earnings, dividends payable for the year and accumulated undistributed dividends should be paid first after paying income tax, offsetting accumulated deficit, and setting aside legal and special reserve. Except for receiving fixed preferred stocks dividends in the aforesaid, preferred shareholders may not participate in the distribution of profit and capital surplus for capital increase for common stock shareholders.

C. Type B preferred stocks shareholders can request the Group to recall the type B preferred stocks before it is due, but the Group has the right to decline. If the Group accepts, the Group should recall preferred stocks at the original issuance price but accumulated and insufficient undistributed dividends will not be distributed under such conditions. Every 2.4 shares of Type B preferred stocks can be converted into 1 ordinary share during the issuance period.

D. On September 27, 2018 and October 8, 2018, the Group's board of directors' meeting and the general shareholders' meeting approved and resolved the modification of terms of Type B issuance in point 3. If the Group accepts the shareholder's requests to recall Type B preferred stock at the original issuance price, accumulated and insufficient undistributed dividends will be distributed under such conditions.

The Group issued 17,000 thousand shares, 510 thousand shares and 2,916 thousand shares of type C preferred stocks on May 19, 2015, June 25, 2015 and September 15, 2015, respectively with par value of $10. The preferred stocks were issued at par for a total of NT$204,260 thousand. The type C preferred stocks are convertible, of which 1,386 shares, 18,428 shares and 510 shares were converted into ordinary shares in February 2020, November 2021 and on August 17, 2022, respectively.

The terms of issuance of type C preferred stocks are as follows:

A. In accordance with the Company Act, the Company will recall all outstanding type C preferred stocks with a price of actual issuance price plus the unpaid dividends and the dividends which should be distributed in prior to the recall date at the end to the seventh year from the date of issuance.

B. The annual rate is stated as 8%. Once there are earnings, dividends payable for the year and accumulated undistributed dividends should be paid first after paying income tax, offsetting accumulated deficit, and setting aside legal and special reserve. Except for receiving fixed preferred stocks dividends mentioned before, preferred stocks shareholders may not participate in the distribution of profit and capital surplus for capital increase for common stock share holders.

C. Type C preferred stocks shareholders can request the Group to recall the type C preferred stocks before due, but the Group has the right to decline. If the Group accepts, the Group should recall preferred stocks at the original issuance price but accumulated and insufficient undistributed dividends will not be distributed under such conditions. Every 2.4 shares of Type C preferred stocks can be converted into 1 ordinary share during the issuance period.

D. On September 27, 2018 and October 8, 2018, the Group's board of directors' meeting and the general shareholders' meeting approved and resolved the modification of terms of Type C issuance in point 3. If the Group accepts the shareholder's requests to recall Type C preferred stocks at the original issuance price, accumulated and insufficient undistributed dividends will be distributed under such conditions.

(20) Pensions

A. Defined benefit plans

(A) The Group 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 Group 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.

(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 (liabilities)	$ 399	$ 1,357

(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)
Interest income (expenses)	(11)	5	6
Subtotal	(4,833)	2,953	(1,880)
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)
Contributions by employer	-	846	846
Payment of benefit obligation	-	-	-
subtotal	-	846	846
At December 31, 2021	(5,206)	3,849	(1,357)
Net interest (expenses) income	(36)	27	(9)
Subtotal	(5,242)	3,876	(1,366)
Remeasurements of the net defined benefit assets /liabilities:			
Actuarial gains and losses arising from changes in financial assumptions	174	-	174
Experience adjustments	(564)	285	(279)
Subtotal	(390)	285	(105)
Contributions by employer	-	1,870	1,870
Payment of benefit obligation	2,404	(2,404)	-
At December 31, 2022	($ 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:

	Discount rate		Future salary increase rate	
	Increase	Decrease	Increase	Decrease
December 31, 2022	0.5%	0.5%	0.5%	0.5%
Impact on present value of defined benefit obligation	($ 40)	$ 41	$ 32	($ 32)

	Discount rate		Future salary increase rate	
	Increase	Decrease	Increase	Decrease
December 31, 2021	0.5%	0.5%	0.5%	0.5%
Impact on present value of defined benefit obligation	($ 73)	$ 74	$ 59	($ 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 Group within one year from December 31, 2022 amounting to $138 thousand.

B. Defined contribution plan

The Group adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C.. Under the Labor Pension Act, the Group 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 Group and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries in China, in accordance with local laws and regulations, allocate pension insurance funds according to a certain percentage of the total salary of employees and pay to relevant government agencies with a separate accounts for each employee.

The Company's foreign subsidiaries and branches allocate pension funds to relevant pension management enterprises in accordance with local laws and regulations.

The Group recognized expenses of the defined contribution plan for the years ended December 31, 2022 and 2021 were $28,769 thousand and $54,652 thousand, respectively.

(21) 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 of ordinary shares were $8,189,149 thousand and 818,915 thousand shares, respectively. Each share has one voting right and the right to receive dividends.

B. Treasury shares

Resolved by the Company's board of directors on January 20, 2021, the Group 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 Group's treasury stocks were both $0, and the number of shares was both 0 shares.

(22) 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	$ 2,408,722	$ 2,395,061

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 Group 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.

(23) 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 Group’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 Group 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 Group'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 will pass 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 Group 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(29).

(24) Non-controlling interests

	For years ended December 31	
	2021	2020
At January 1	$ 593,296	$ 651,814
Increase capital of subsidiaries and others	-	333
Obtained through a business combination	-	61,337
From changes of ownership in equities of subsidiaries	21,978	(88,594)
Cash dividends paid to non-controlling interests	(29,047)	-
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Loss attributable to non-controlling interests	(6,589)	(18,519)
Exchange differences resulting from translating the financial statements of foreign operations	53,175	(13,075)
At December 31, 2022	$ 632,813	$ 593,296

(25) Operating revenue

	For the year ended December 31,	
	2022	2021
Revenue from customer contracts		
Sale of goods	$ 17,149,344	$ 16,233,747
Processing income	41,856	45,270
Washing revenue	969	196,108
Other operating revenues	92,719	8,005
Rental income	4,120	4,120
Total	$ 17,289,008	$ 16,487,250

A. Revenue from customer contracts

	For the years ended December 31, 2022			
	Trade marketing department	Production and Sales department	Lease department	Total
Sale of goods (Note)	$ 5,494,532	$ 11,747,531	$ -	$ 17,242,063
Rendering of services	-	42,825	-	42,825
Rent revenue	-	-	4,120	4,120
Total	$ 5,494,532	$ 11,790,356	$ 4,120	$ 17,289,008
Timing of revenue recognition				
At a point in time	$ 5,494,532	$ 11,790,356	$ -	$ 17,284,888
Satisfied over time	-	-	4,120	4,120
Total	$ 5,494,532	$ 11,790,356	$ 4,120	$ 17,289,008

	For the years ended December 31, 2021			
	Trade marketing department	Production and Sales department	Lease department	Total
Sale of goods (Note)	$ 5,345,269	$ 10,896,483	$ -	$ 16,241,752
Rendering of services	-	241,378	-	241,378
Rent revenue	-	-	4,120	4,120
Total	$ 5,345,269	$ 11,137,861	$ 4,120	$ 16,487,250
Timing of revenue recognition				
At a point in time	5,345,269	11,137,861	-	16,483,130
Satisfied over time	-	-	4,120	4,120
Total	$ 5,345,269	$ 11,137,861	$ 4,120	$ 16,487,250

Note: Sale of goods includes revenue from sale of goods and revenue from sale of samples recognized as other operating revenues.

B. Contracts liabilities

	December 31,	
	2022	2021
Contracts liabilities		
Sales of merchandise	$ 29,392	$ 37,048

The Group'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
Income transferred from beginning balance	($ 2,361)	($ 1,004)
Increase in advance receipts in the current period (exclude new advance receipts that are transferred to income in the current year)	6,759	13,710

C. Transaction price allocated to unfulfilled performance obligations

The transaction price of The Company's performance obligations not yet satisfied (including partially not satisfied) totaled $29,392 thousand as of December 31, 2022. It is expected that approximately 100% will be transferred to revenue within 2023.

The transaction price of the Company's performance obligations not yet satisfied (including partially not satisfied) totaled $37,048 thousand as of December 31, 2021. It is expected that approximately 100% will be transferred to revenue within 2022.

D. Assets recognized from costs of acquiring or fulfilling customer contracts: None.

(26) Other income

	For the year ended December 31,	
	2022	2021
Interest income		
Bank savings	$ 2,627	$ 3,978
Other interest income	4,922	71
	7,549	4,049
Rental income	1,996	137
Other income - other	605,264	155,155
Total	$ 614,809	$ 159,341

(27) Other gains and losses

	For the year ended December 31,	
	2022	2021
Gains (losses) on disposal of property, plant and equipment	$ 551,619	($ 3,372)
Loss on disposal of investments	(10,823)	8,790
Foreign exchange gains (losses), net	110,204	(160,964)
Gains on lease modifications	40	1,416
Impairment reversal (losses)		
Property, plant and equipment	(392,433)	(7,029)
Intangible assets	2,012,763	(475,884)
Others	31,000	-
Other non-operating losses	(641,807)	(31,720)
Total	($ 2,364,963)	($ 668,763)

(28) 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	$ 2,386,954	$ 525,548	$ 2,912,502	$ 2,615,425	$ 781,287	$ 3,396,712
Depreciation expenses	415,062	202,246	617,308	517,711	109,123	626,894
Amortization expenses	270	295,937	296,207	1,155	328,339	329,494

(29) Employee benefit expenses

	For the year ended December 31,	
	2022	2021
Wages and salaries	$ 2,654,825	$ 3,057,539
Director's remuneration	16,056	10,591
Labor and health insurance contribution	135,222	180,643
Pension costs	28,778	54,652
Other personnel expenses	77,621	93,287
Total	$ 2,912,502	$ 3,396,712

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 still in accumulated loss, such loss shall have been covered first. 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 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 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.

(30) Finance costs

	For the year ended December 31,	
	2022	2021
Interest expenses		
Bank loans	$ 333,436	$ 217,426
Lease liabilities	50,602	52,061
Preferred stock dividends	530	3,294
Others	7	6
Total	$ 384,575	$ 272,787

(31) Income tax

A. Income tax expense (benefit)

Components of income tax expense (benefit):

	For the year ended December 31,	
	2022	2021
Current income tax for the year		
Current income tax expenses	$ 9,365	$ 10,904
Adjustments for prior periods	1,833	4,554
Current income tax for the year	11,198	15,458
Total deferred tax		
Relating to origination and reversal of temporary differences	(223,558)	(45,019)
Income tax benefit	($ 212,360)	($ 29,561)

B. The income tax expenses (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)

C. Reconciliation between income tax expense (benefit) and income before income tax:

	For the year ended December 31,	
	2022	2021
Income before income tax	($ 6,884,202)	($ 102,328)
Income tax expense at statutory rate	(1,376,840)	(20,341)
Tax effect of adjusting items		
Permanent differences	936,763	414,908
Income tax impact of unrecognized deferred tax assets (liabilities)	(191,666)	(438,840)
Effect of different tax rates applicable within the Group	417,550	13,303
Adjustments for prior years	1,833	1,409
Income tax expense (benefit)	($ 212,360)	($ 29,561)

D. Details of deferred income tax assets are as follows:

	For the year ended December 31, 2022			
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred tax assets				
Net defined benefit liabilities – non-current	$ 133	($ 234)	$ 21	($ 80)
Fair value adjustments from business combinations	(258,476)	216,857	-	(41,619)
Others	2,159	7,300	-	9,459
Total deferred tax assets	($ 256,184)	$ 223,923	$ 21	($ 32,240)
Reflected in balance sheet as follows:				
Deferred tax assets	$ 2,430			$ 9,643
Deferred tax liabilities	$ 258,614			$ 41,883

	For the year ended December 31, 2021			
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred tax assets				
Net defined benefit liabilities – non-current	$ 836	($ 768)	$ 65	$ 133
Fair value adjustments from business combinations	(304,207)	45,731	-	(258,476)
Others	2,165	(6)	-	2,159
Total deferred tax assets	($ 301,206)	$ 44,957	$ 65	($ 256,184)
Reflected in balance sheet as follows:				
Deferred tax assets	$ 3,229			$ 2,430
Deferred tax liabilities	$ 304,435			$ 258,614

E. 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	97,148
Expired in 2028	11,451	12,819
Expired in 2030	2,830	2,830
Expired in 2031	42,206	42,400
Expired in 2032	24,614	-
	225,131	203,486
Deductible temporary differences		
Unrealized loss on investments	-	6,200
Inventories	14,617	12,239
Allowance for doubtful accounts	57,658	40,249
Property, plant and equipment	1,985	-
Unrealized exchange gains and losses	(6,154)	(108)
	68,086	58,580
Total	$ 293,217	$ 262,066

F. The Group's income tax returns through 2021 have been assessed by the tax authority.

(32) 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		
	Amount after tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Loss attributable to the parent company	($ 4,357,538)	818,915	($ 5.32)

Diluted earnings per share

None.

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

Diluted earnings per share

None.

(33) Business combination

A. The Group acquired 28% of 3Y Universal Co., Ltd (hereinafter referred to as "3Y Company") through its subsidiary JD United (BVI) Limited on January 29, 2021 in order to plan for long-term business development and grasp the needs of major customers in the future. Voting shares, together with the original 23% shareholding of the subsidiary JD United (BVI) Limited, have acquired more than half of the shares and control.

The Group chooses to measure the non-controlling interests of 3Y Company by the relative share of the recognized amount of identifiable net assets.

B. The consideration paid for the acquisition of 3Y Company, the fair value of the assets acquired and liabilities assumed on the acquisition date, and the fair value of non-controlling interests on the acquisition date is as follows:

		January 29, 2021
Acquisition consideration	$	125,462
Add: the fair value of the original 23% shareholding of the acqusition date		103,058
Add: non-controlling interests (49% of identifiable net assets at fair value)		61,337
Less: identifiable net assets	(	126,277)
Goodwill	$	163,580
Assets		
Cash and cash equivalents	$	99,066
Accounts receivables		69,447
Other receivables		35
Inventories		49,115
Other current assets		76
		217,739
Liabilities		
Accounts payable	(	23,795)
Other payables	(	67,667)
	(	91,462)
Fair value of identifiable net assets	$	126,277

C. From January 29, 2021, 3Y Company has contributed $55,335 thousand of revenue and $394 thousand of net profit before tax to the Group. If the consolidation had taken place at the beginning of the year, revenue from the continuing operations would have been $4,367,837 thousand and the net loss from continuing operations for the Group would have been NT$(243,127) thousand.

(34) Changes in liabilities from financing activities

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

	January 1, 2022	Cash flow	Other non-cash	Change in exchange rate	December 31, 2022
Current borrowings	$ 5,730,137	($ 1,165,794)	($ 53,018)	387,641	$ 4,898,966
Lease liabilities	415,973	(120,414)	(61,446)	40,547	397,552
Non-current borrowings (including current portion)	947,971	(20,751)	53,018	72,258	1,052,496
Other payables – related parties	97,375	6,899	-	-	104,274
Liabilities from financing activities	$ 7,191,456	($ 1,300,060)	$ 61,446	$ 500,446	$ 6,453,288

	January 1, 2021	Cash flow	Other non-cash	Change in exchange rate	December 31, 2021
Current borrowings	$ 6,282,800	($ 433,752)	$ -	($ 118,911)	$ 5,730,137
Lease liabilities	499,843	(149,330)	84,348	(18,888)	415,973
Non-current borrowings (including current portion)	304,302	605,527	-	(5,622)	904,207
Other payables – related parties	-	97,375	-	-	97,375
Liabilities from financing activities	$ 7,086,945	$ 119,820	$ 84,348	($ 143,421)	$ 7,147,692

7. Related party transactions

Balances and amounts of transaction between the Company and subsidiaries had been eliminated upon consolidation and was not disclosed in this Note. Details of transactions between the Group and related parties are disclosed as follows:

(1) Name of related parties and relationship

Name	Relationship
JD United Holdings Limited	Substantive related party
3Y Universal Co., Ltd.	Affiliated company (consolidated subsidiaries from January 29, 2021
Nanjing USA International Trading Co., Ltd.	Substantive related party
Shanghai Up Garment Co., Ltd.	Substantive related party
Well & David Corp.	Substantive related party
Newtech Textile Technology company Ltd.	Substantive related party
Newtech Textile (HK) Limited	Substantive related party
Wei Hao Investment Limited	Director (Note 1)
HGQ Co., Ltd.	Substantive related party
Heng 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)
Mr. Sun Zhen	Director of a subsidiary
Mr. Hsu Chung-Jung	Chief accountant of the Group
Mr. Yang Yingzu	General manager of a subsidiary (resigned on April 30, 2022)
Mr. Fei, Qian	Director of a subsidiary
Mr. Yao, Ji	Director of a subsidiary
Mr. Wu, Bin	Substantive related party
Mr. Lou, Xiao-Hua	Management of a subsidiary
Borja Trenor Casanova	Director of a subsidiary
Miss Ke, Wen-Qing	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
Affiliated company	$ 52,909	$ 13,106

The sales price of the Group to related parties is negotiated by both parties with reference to market conditions; the payment method is not significantly different from that of ordinary customers.

B. Purchases

	For the year ended December 31,	
	2022	2021
Substantive related party	$ 208,754	$ 477,478

C. Rental income

	For the year ended December 31,	
	2022	2021
Other related parties	$ 69	$ 136

The Group collects the rental income from related parties on a monthly basis according to the usual market conditions.

D. Rental expenses

	For the year ended December 31,	
	2022	2021
Substantive related parties	$ -	$ 2,153

E. Other receivables due from related parties

	December 31,	
	2022	2021
Mr. Sun Zhen	$ 3,271	$ 1,412
Shanghai Up Garment Co., Ltd.	34,988	-
New Textile (HK) Limited	-	39,835
Total	$ 38,259	$ 41,247

F. Prepayments

	December 31, 2022	December 31, 2021
Substantive related parties	$ -	$ 32,131

G. Other payables to related parties

	December 31, 2022	December 31, 2021
Newtech Textile (HK) Limited	$ 24,568	$ -
HGQ Co., Ltd.	-	38,515
Total	$ 24,568	$ 38,515

H. Financing provided from related parties (presented in other payables – related parties)

	For the year ended December 31, 2022				
	Maximum balance	Ending balance	Interest rate range	Interest payables	Interest expenses
JD United Holdings Limited.	$ 124,376	$ 74,498	5%~8%	$ 5,208	$ 2,531

	For the year ended December 31, 2021				
	Maximum balance	Ending balance	Interest rate range	Interest payables	Interest expenses
JD United Holdings Limited.	$ 80,727	$ 56,744	5.00%	$ 2,116	$ 2,116

I. Assets acquired

		For the year ended December 31,	
	Assets acquired	2022	2021
Newtech Textile (HK) Limited	Machinery equipment	$ 68,763	$ 48,028
Newtech Textile Technology company Ltd.	Machinery equipment	-	20,301
Nanjing USA International Trading Co., Ltd.	Transportation equipment, office equipment and machinery equipment	-	2,424
		$ 68,763	$ 70,753

J. 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

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

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

M. The Group paid US$8,320 thousand (approximately $232,627,000) on July 2, 2021 to buy back the treasury stock from Mr. Lou Xiaohua and then cancel it.

N. Key management personnel compensation

	For the year ended December 31,	
	2022	2021
Short–term employee benefits	$ 33,375	$ 36,673
Post-employment benefits	4,574	385
Total	$ 37,949	$ 37,058

8. Pledge of assets

Pledged assets	Purposes	Carrying amount December 31, 2022	Carrying amount December 31, 2021
Financial assets at amortized cost	Short-term loans and customs duty guarantee	$ 409,450	$ 736,943
Accounts receivable	Short-term loans	1,985,541	1,756,815
Property, plant and equipment			
Lands	Long and short-term loans	775,035	775,035
Buildings	Short-term loans	14,340	15,851
Right-of-use assets (land use rights)	Short-term loans	8,050	8,120
Refundable deposits	Long-term loans	-	10,500
Total		$ 3,192,416	$ 3,303,264

As of December 31, 2022 and 2021, the equities of the Group's subsidiaries, Roo Hsing Garment Co., Ltd., JD United (BVI) Limited, Tooku Holdings Limited, MF Holding Co., Ltd., Faith in Blue (USA) Corporation, ADNY Group, Inc. and Nanjing USA, Inc. were provided for the short-term loan guarantee, and in 2022 newly added the equities of JD United (Cayman) Limited and RH International Holdings Limited provided for the short-term loan guarantee. Among them, ADNY Group, Inc. had released its pledge on September 30, 2021.

9. Significant contingent liabilities and unrecognized commitments

(1) Amounts available under unused letters of credit as of December 31, 2022 and 2021 is $156,624 thousand and $41,210 thousand, respectively.

(2) On April 22, 2019, Jilin Jihua Industrial Co., Ltd. ("Jihua Company") signed a working capital loan contract of RMB12,000 thousand and RMB15,000 with the Bank of China, Changchun Nanhudalu Sub-branch ("Bank of China"). On the same day, the Company's subsidiary, Bai Cheng Shi Mei Da Garment Co., Ltd. (Bai Cheng Company) signed a guarantee contract with the Bank of China, Jilin Textile Import and Export Co., Ltd., Li Xiulan, Yancheng Nanji Clothing Co., Ltd. and Changchun Tooku Garment Production Co., Ltd., to provide the responsibility of the joint and several guarantees for the loan of Jihua Company. On May 5, 2019, Jihua Company and Bank of China applied to the National Notary Office of Changchun City, Jilin Province for notarization of the working

capital loan contract, mortgage contract and guarantee contract, and Jilin National Notary Office Changchun City issued two copies of the "Notarized certificate of creditor's right document with enforceable effect", reference to (2019) Jichang Guoli Zheng Nei Jing Zi No. 1641 and (2019) Ji Chang Guo Li Zheng Nei Jing Zi No. 1565, and endowed it with the effect of enforcement. The land of Bai Cheng Company was seized by the court on February 1, 2021.

Bai Cheng Company, a subsidiary of the Group, discovered that the guarantee contract had been enforced in May 2021, and on June 24, 2021, entrusted Jilin Jinke Judicial Appraisal Center to appraise the official seal in the contract, which was confirmed that the official seal in the guarantee contract was indeed being replicated. On July 1, 2021, an application for notarization review was filed with the National Notary Office of Changchun City, Jilin Province, and on July 15, 2022, the notary office notified relevant personnel in writing to accept the investigation.

On March 24, 2021, Bank of China signed a creditor's rights transfer agreement with China Orient Asset Management Co., Ltd. Jilin Province Branch ("Oriental Company") to transfer Jihua Company's main creditor's rights and all rights under the guarantee contract, in accordance with the law. On July 16, 2021, the Group filed a petition with the Intermediate People's Court of Changchun City, Jilin Province for the non-enforcement of the notarized creditor's rights document. The court began to send payment notes in January 2023, and the Group paid the legal fees on January 3, 2023, and the case is officially accepted by the court.

10. Significant disaster loss

None.

11. Significant events after the balance sheet date

(1) In order to revitalize assets and enrich working capital, the Group 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.

(2) In April 2023, the Group will reduce its shareholding to 25%, by selling the shares of its subsidiary, Rootech Pte Limited plus Rootech Pte Limited increase its capital. The Group received US$11,000 thousand for this transaction and recognized a loss on disposal of US$1,665 thousand.

(3) In March 2020, American Eagle sued Walmart, the retailer of the Group, in a U.S. court due to a dispute over similar jeans trademarks. Until May 2023, the two parties signed a settlement agreement to compensate American Eagle for a total of US$2,350 thousand. According to the supply and marketing contract between Nanjing USA, Inc., a subsidiary of the Group, and Walmart, the compensation must be borne by Nanjing USA, Inc., and US$1,000 thousand has been paid as of the date of these financial statements.

(4) In order to revitalize the assets and make more effective use of the Company's resources, the Group was approved by the board of directors on January 7, 2022 to dispose of the land at Khan Russey Keo, Phnom Penh City, Cambodia, held by the Company's subsidiary Roo Hsing Garment Co., Ltd. The land sale contract was signed on January 11, 2022.

Due to the delay in the subsequent procedures, which will affect the future planning of the Group, on September 6, 2022, an extraordinary meeting of the board of directors resolved to terminate the land sales contract signed on January 11, 2022 and to find a new buyer. A new land sales contract was signed with the new buyer on September 5, 2022. The total transaction price is US$22,000 thousand and the land transfer was completed on October 3, 2022. As of the date of these financial statements, the Group has received US$8,300 thousand. In addition, the land sales contract between the Group and the original buyer has not yet reached an agreement for termination, and the two parties are in the process of negotiation. Based on the principle of prudence, the Group has made a provision of US$500 thousand as compensation according to the contract.

12. Others

(1) Capital Management

The Group's objectives when managing capital are to safeguard the Group'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 Group 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	$ 10,637,448	$ 10,608,937
Total assets	$ 15,185,726	$ 19,128,542
Debt-to-assets ratio	70%	56%

(2) Financial instruments

A. Financial instruments by category

	December 31,	
Financial assets	2022	2021
Financial assets at amortized cost		
Cash and cash equivalents	$ 478,616	$ 1,020,796
Financial assets at amortized cost - current	409,450	736,943
Notes receivables	-	217
Accounts receivables	1,796,209	2,616,879
Other receivable (including related parties)	1,433,214	703,632
Refundable deposits	24,796	144,357
	$ 4,142,285	$ 5,222,824

Financial liabilities	December 31, 2022	December 31, 2021
Financial liabilities at amortized cost		
Current borrowings	$ 4,898,966	$ 5,730,137
Notes payable	55,492	246,219
Accounts payable (including related parties)	2,839,696	2,164,397
Other payable (including related parties)	1,153,700	642,777
Non-current borrowings (including current portion)	1,052,496	947,971
Preferred stock liabilities (including current portion)	1,020	30,271
Guarantee deposits received	865	3,266
	$ 10,002,235	$ 9,765,038
Lease liabilities (including current portion)	$ 397,552	$ 415,973

B. Financial risk management objectives and policies

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

The Group 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 Group.

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

(a) When NTD strengthens/weakens against US% by 1%, the loss for the years ended December 31, 2022 and 2021 is increased/decreased by $12,836 thousand and $37,496 thousand, respectively.

(b) When NTD strengthens/weakens against RMB by 1%, the loss for the years ended December 31, 2022 and 2021 is increased/decreased by $8,534 thousand and $17,222 thousand, respectively.

b. Interest rate risk

The Group's interest rate risk arises from borrowing. Borrowing with the floating interest rate exposes the Group to change in fair value risk and cash flow risk. The Group by maintaining an appropriate combination of floating rates to manage interest rate risk. The Group 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 Group'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 Group'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 $60 thousand and $237 thousand for the years ended December 31, 2022 and 2021, respectively, which would be mainly resulted from the Group's borrowing with variable interest rate.

c. Other price risk

The Group's exposure to equity price risk in 2022 and 2021 resulted from investments in unlisted equity securities and the fair value of which will be affected by the uncertainty of the future value of these investments. The investments in the equity securities are financial assets at fair value through other comprehensive income. The management of the Group manages risk by holding investment portfolios with different risk. The investment portfolio information of equity securities needs to be regularly provided to the senior management of the Group, and the board of directors must review and approve all equity securities investment decisions.

Sensitivity analysis

The following sensitivity analysis is based the exposure of equity securities at the closing date of the reporting date.

If the price of equity securities has increased or decreased by 10%, the Group's other equity would have increased or decreased by $0 and $0 for the years ended December 31, 2022 and 2021, respectively.

(B) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by counterparties on the contract obligations. The Group'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 Group 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 Group's internal rating criteria etc. The Group 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 44% and 77% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

The finance department of the Group manages the credit risk of bank deposits, fixed income securities and other financial instruments in accordance with the Group's policies. The trading parties of the Group 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 Group is unable to settle its financial liabilities by cash or other current financial assets and failure to fulfill obligations associated with existing operations.

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

The table below analyses the Group'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
Non-derivative financial liabilities					
Current borrowings	$ 4,898,966	$ -	$ -	$ -	$ 4,898,966
Notes payable	55,492	-	-	-	55,492
Accounts payable (includes related parties)	2,839,696	-	-	-	2,839,696
Other payables (includes related parties)	1,152,442	-	-	-	1,152,442
Provisions – current	17,376	-	-	-	17,376
Lease liabilities (note)	129,386	153,562	45,900	68,704	397,552
Non-current borrowings (includes current portion)	731,339	321,157	-	-	1,052,496
Prefferred stock liabilities	1,020	-	-	-	1,020
Total	$ 9,825,717	$ 474,719	$ 45,900	$ 68,704	$ 10,415,040

	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
Non-derivative financial liabilities					
Current borrowings	$ 5,730,137	$ -	$ -	$ -	$ 5,730,137
Notes payable	246,219	-	-	-	246,219
Accounts payable (includes related parties)	2,164,397	-	-	-	2,164,397
Other payables (includes related parties)	642,777	-	-	-	642,777
Provisions – current	23,818	-	-	-	23,818
Lease liabilities (Note)	96,328	159,552	96,786	63,307	415,973
Non-current borrowings (includes current portion)	410,263	537,708	-	-	947,971
Preferred stock liabilities	30,271	-	-	-	30,271
Total	$ 9,344,210	$ 697,260	$ 96,786	$ 63,307	$ 10,201,563

Note: Cash flows from lease contracts including short-term leases and low-value underlying assets.

(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. On December 31, 2022 and 2021, the Group does not have Level 3 fair value measurement's asset measured at fair value on a recurring basis, therefore there is no significant unobservable input value for fair value measurement.

(4) Significant assets and liabilities denominated in foreign currencies

	December 31, 2022		
	Foreign currency amount	Exchange rate	NT$
Financial assets			
Monetary items			
US$	$ 45,061	30.71	$ 1,383,823
RMB	1,105,896	4.41	4,877,002
Financial liabilities			
Monetary items			
US$	86,858	30.71	2,667,415
RMB	1,299,418	4.41	5,730,435

	December 31, 2021		
	Foreign currency amount	Exchange rate	NT$
Financial assets			
Monetary items			
US$	$ 98,998	27.68	$ 2,740,259
RMB	156,229	4.34	678,035
Financial liabilities			
Monetary items			
US$	234,460	27.68	6,489,852
RMB	553,041	4.34	2,400,200

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 $111,462 thousand and $(162,109) 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 Group, 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 Group 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 Group has obtained the court's final verdict. The Group will take similar actions for other promissory notes and hire local lawyers and asset management firms to protect the rights of the Group.

B. Roo Hsing Shanghai Import & Export Co., Ltd. (Roo Hsing Shanghai), a subsidiary of the Group, 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 Group 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 Group has recognized related liabilities of RMB4,844 thousand as of March 31, 2019. After the transaction dispute was litigated, the group of the Group judged that it was a commercial fraud, and tried to report it as a criminal case through another channel.

C. Since January 2020, the whole world has been affected by the COVID-19 pandemic. The Group followed the local government's epidemic prevention policy to take relevant response measures. However, because the relevant information is still unclear, it is impossible to reasonably predict the operation after January 2023. The Group will continue to pay attention to the development of the epidemic and evaluate it in real time.

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 Group 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 amount 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 lender, 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	Endorsees: Company name	Endorsees: Relationship (Note 2)	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)
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 Languiren 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

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NO.		Endorsees	Endorsement	Highest	Outstanding	Actual	Balance	Ratio of	Maximum	Provision of	Provision of	Provision of

(Note 1)	Endorser/Guarantor	Company name	Relationship (Note 2)	limit for a single entity (Note 3)	balance during the year (Note 4)	balance at December 31, 2022 (Note 5)	amount drawn down (Note 6)	secured by collateral	accumulated amount to net worth of the Company	amount of endorsement (Note 3)	endorsements by parent company to subsidiary (Note 7)	endorsements by subsidiary to parent company (Note 7)	endorsement to the party in Mainland China (Note 7)
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
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

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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.

(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 endorsers.

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 December 31, 2022

(Expressed in thousands of New Taiwan dollars)

			Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
Company	Related party	Relationship	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: Purchases (Sales)	Transactions: Amount	Transactions: Percentage of total purchases (sales)	Transactions: Term	Details of non-arm's length transaction (Note 1): Unit price	Details of non-arm's length transaction (Note 1): Term	Notes and accounts receivable (payable): Balance	Notes and accounts receivable (payable): Percentage of total receivables (payable)	Note
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.	Paneffort (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%	
Paneffort (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	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	481,936	-	-	-	-	-

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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.	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.	Paneffort (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	Paneffort (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	-	-	-	-	-
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	Affiliate with same parent company	1,101,240	-	-	-	-	-
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	5,536,439	-	-	-	-	-

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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		
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	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Accounts receivable	1,101,240	-	7%
14	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	5,536,439	-	36%
14	Paneffort (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	Paneffort (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: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares (in thousands)	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	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
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: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares (in thousands)	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	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
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, 202"" 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	($ 2,502,928)

(2) Investment income (loss) of Investee Company ADNY Group Inc. and Nanjing USA, Inc. recognized by Faith In Blue (USA) Corporationare 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	($ 97,774)

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

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(1) Production and sales department: the department manufactures and trades clothing and wool related products.

(2) Lease department: the department leases real estate.

(3) Trade marketing department: the department is responsible for the sales of wholesale and distribution and retail.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) The following table presents segment profit and loss of the Group' operating segments:

	For the year ended December 31, 2022					
	Production and sales department	Lease department	Trade marketing department	Subtotal	Adjustment and elimination	Consolidated
Revenue						
External customer	$ 11,790,356	$ 4,120	$ 5,494,532	$ 17,289,008	$ -	$ 17,289,008
Inter-segment	921,109	-	-	921,109	(921,109)	-
Total revenue	$ 12,711,465	$ 4,120	$ 5,494,532	$ 18,210,117	($ 921,109)	$ 17,289,008
Segment (loss) profit	($ 11,127,978)	$ 1,088	($ 19,504)	($ 11,146,394)	$ 6,569,907	($ 4,576,487)

For the year ended December 31, 2022						
	Production and sales department	Lease department	Trade marketing department	Subtotal	Adjustment and elimination	Consolidated
Revenue						
External customer	$ 11,137,861	$ 4,120	$ 5,345,268	$ 16,487,250	$ -	$ 16,487,250
Inter-segment	4,675,551	-	74,134	4,749,685	(4,749,685)	-
Total revenue	$ 15,813,413	$ 4,120	$ 5,419,402	$ 21,236,935	($ 4,749,685)	$ 16,487,250
Segment (loss) profit	($ 2,856,077)	($ 20,755)	($ 689,746)	($ 3,566,578)	$ 1,626,996	($ 1,939,582)

Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations are disclosed below.

(2) *Decision makers of the Group do not make decisions based on segment assets, so segment assets are not disclosed.*

(3) *Geographical information*

Revenue from external customers

	For the year ended December 31	
	2022	2021
America	$ 13,615,354	$ 12,255,406
Europe	398,397	651,956
Asia	3,275,257	3,101,443
Others	-	478,445
Total	$ 17,289,008	$ 16,487,250

The revenue information above is based on the location of the customer.

Non-current assets

	December 31	
	2022	2021
America	$ 1,290,948	$ 4,984,578
China	3,351,935	2,606,697
Taiwan	1,069,484	1,138,125
Cambodia	136,147	320,736
Myanmar	53,478	101,205
Managua	-	125,262
El Salvatore	-	107,164
Nicaragua	-	9,488
Total	$ 5,901,992	$ 9,393,255

Non-current assets do not include financial instruments and deferred tax assets.

(4) Information about major customer

	For the year ended December 31	
	2022	2021
Customer A from China	$ 4,701,008	$ 2,686,243
Customer C from China	2,420,446	2,276,342
Customer D from China	2,344,764	2,278,972
Customer F from America	5,462,950	5,174,269