ROO HSING CO., LTD.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31 2021 AND 2020

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Roo Hsing Co., Ltd.

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INDEPENDENT AUDITORS' REPORT

Roo Hsing Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Roo Hsing Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation 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 generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sales Authenticity

The Company engages mainly in manufacturing and processing of denim clothing. The Company recognized operating revenues in the amount of NT$725,037 thousand in 2021. Operating revenues from top ten customers represented 100% of parent company only operating revenues. Due to the small number of customers, concentration of sales targets, and different conditions for the transfer of goods and the terms of trade, the timing of meeting the performance obligation was different, and therefore raised the complexity of revenue recognition is increased, we therefore considered this a key audit matter.

Our audit procedures included (but are 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 customers who were related parties and the amounts were material and new customers who ranked top 10 sales customers); reviewing differences between sales contracts of new 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 order, finished goods stock out, invoice, 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 and confirm proper cut off for revenue.

We also considered the appropriateness of the disclosure of operating revenue included in Notes 4, 5 and 6 to the parent company only financial statements.

Impairment of Goodwill Assessment (JD United (BVI) Limited, ADNY Group, Inc. and 3Y Universal Company Limited)

The Company acquired JD United (BVI) Limited, Tooku Holdings Limited, ADNY Group, Inc. and Nanjing USA, Inc. in prior periods, and acquired 3Y Universal Company Limited in this year, and the goodwill arising from the acquisition amounted to NT$2,113,372 thousand, NT$465,159 thousand and NT$159,173 thousand, representing 11%, 2%, and 1% of the consolidated total assets of the Roo Hsing Co., Ltd. and its subsidiaries as of December 31, 2021, respectively. The Company tested related cash generating units for impairment according to the International Financial Reporting Standards. The Company 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$475,884 thousand was recognized. The carrying amount of goodwill was material to the Company, the assessment of value in use was complex and the assumptions used by management in cash flow forecast involved significant subjective judgment; therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to): acquiring prospective financial information from management; interviewing management and analyzing the reasonableness of gross margin, revenue growth, overall market and economic forecast included in the prospective financial information; 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; confirming the accountability of information used in the forecast by researching industry development and comparing data with market participants; assessing the reasonableness of cash flow forecast by analyzing the method and assumptions used by management and compar ing actual results to prior forecasts; and asking internal specialists to assist us in evaluating the relevance and reasonableness of important assumptions (revenue growth forecast, market average rate of return and discount rate, etc.) used by management, including comparing companies with similar cash generating units, assessing the reasonableness of key inputs in calculating discount rates such as cost of equity, company specific risk premium and market risk premium, and assessing the reasonableness and feasibility of significant assumptions.

We also consider the appropriateness of the disclosure of goodwill included in Notes 4, 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These subsidiaries, associates and joint ventures under equity method amounted to NT$7,171,600 thousand and NT$8,143,194 thousand, representing 71% and 70% of total assets as of December 31, 2021 and 2020, respectively. The related shares of profits (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$(964,543) thousand and NT$(12,080) thousand, representing 80% and 7% of the income (loss) before tax for the years ended December 31, 2021 and 2020, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$(1,003,430) thousand and NT$(179,409) thousand, representing 69% and 59% of the comprehensive income (loss) for the years ended December 31, 2021 and 2020, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin Chao-Min and Chen Wen-Pin.

Candor Taiwan CPAs

Taipei, Taiwan

Republic of China

March 29, 2022

Notice to Readers

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

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

Roo Hsing Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

December 31,2021 and 2020

(In Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
ASSETS		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 4(6), 6(1)	$ 107,043	1	$ 181,283	2
Financial assets measured at amortized cost - current	Note 4(7), 5, 6(3),8	456,694	5	461,393	4
Accounts receivable, net	Note 4(7), 6(4)	16,339	-	166,018	1
Accounts receivable due from related parties, net	Note 4(7), 6(4), 7(9)	-	-	208,151	2
Other receivables	Note 5, 6(5)	1,975	-	1,390	-
Other receivables due from related parties	Note 5, 6(5), 7(10)	877,272	9	759,914	7
Current tax assets	Note 4(23), 5, 6(21)	-	-	1,156	-
Inventories	Note 4(10), 5, 6(6)	185,254	2	185,130	2
Prepayments	Note6(7)、7(12)	67,252	1	61,643	-
Other current assets		872	-	2,144	-
Total current assets		1,712,701	18	2,028,222	18
NON-CURRENT ASSETS					
Financial assets at fair value through profit or loss - non-current	Note 4(7), 6(2), 7(13)	-	-	264,274	2
Investments accounted for using equity method	Note 4(12), 6(8)	7,436,712	77	8,756,942	75
Property, plant and equipment	Note 4(13), 6(9), 8	436,743	5	503,055	4
Right-of-use assets	Note 4(14), 6(17)	6,958	-	21,873	-
Intangible assets	Note 4(15), 6(10)	3,652	-	4,871	-
Deferred tax assets	Note 4(23), 5, 6(21)	271	-	836	-
Prepayments for business facilities		4,604	-	10,004	-
Refundable deposits	Note 8	13,832	-	4,267	-
Long-term accounts receivable due from related parties	Note 7(14)	-	-	87,759	1
Other non-current assets		2,762	-	2,762	-
Total non-current assets		7,905,534	82	9,656,643	82
Total		$ 9,618,235	100	$ 11,684,865	100

		December 31, 2021		December 31, 2020	
LIABILITIES AND EQUITY		Amount	%	Amount	%
CURRENT LIABILITIES					
Short-term loans	Note4(7)、6(11)	$ 749,744	8	$ 741,091	6
Contract liabilities - current		43	-	-	-
Notes payable		12,643	-	3,999	-
Accounts payable		13,946	-	18,800	-
Accounts payable to related parties	Note 7(15)	39,737	-	38,482	-
Other payables		75,825	1	85,269	1
Other payables to related parties	Note 7(16)	27,550	-	2,759	-
Income tax payable	Note 4(23)、6(21)	1,706	-	-	-
Provisions - current		1,991	-	1,991	-
Lease liabilities - current	Note 4(14)、6(17)	5,307	-	8,147	-
Other current liabilities		1,967	-	1,133	-
Long-term loans - current portion	Note 4(7)、6(12)	86,562	1	18,252	-
Total current liabilities		1,017,021	10	919,923	7
NON-CURRENT LIABILITIES					
Long-term loans	Note 4(7)、6(12)	46,198	-	85,853	1
Deferred tax liabilities	Note 4(23)、5、6(21)	258,476	4	304,207	3
Lease liabilities - non-current	Note 4(14)、6(17)	1,779	-	13,911	-
Long-term notes payable.		3,356	-	6,520	-
Net defined benefit liabilities - non-current	Note 4(21)、6(13)	1,357	-	1,873	-
Credit balance of investments accounted for using equity method	Note 4(12)、6(8)	363,739	4	210,636	2
Total non-current liabilities		674,905	8	623,000	6
Total liabilities		1,691,926	18	1,542,923	13
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT	Note 6(14)				
Capital stock					
Ordinary share		8,189,149	85	8,200,469	70
Capital surplus					
Capital surplus, additional paid-in capital arising from ordinary share		1,913,073	20	1,915,717	16
Capital surplus, additional paid-in capital arising from bond conversion		435,961	5	435,961	4
Capital surplus, treasury share transactions		40,148	-	39,841	-
Capital surplus, changes in equities of subsidiaries		-	-	40,965	-
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method		4,485	-	4,485	-
Capital surplus, share options		206	-	206	-
Capital surplus, others		1,188	-	8	-
Total capital surplus		2,395,061	25	2,437,183	21
Retained earnings					
Appropriated as legal capital reserve		-	-	-	-
Accumulated deficits		(2,469,999)	(26)	(329,351)	(3)
Total retained earnings		(2,469,999)	(26)	(329,351)	(3)
Other equity		(187,902)	(2)	(152,702)	(1)
Treasury Shares	Note 4(18)	-	-	(13,657)	-
Total equity		7,926,309	82	10,141,942	87
Total		$ 9,618,235	100	$ 11,684,865	100

The accompanying notes are an integral part of the financial statements.
(With Candor Taiwan CPAs audit report dated March 29, 2022)

Roo Hsing Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except for Earnings per Share)

		2021		2020	
		Amount	%	Amount	%
NET REVENUE	Note 4(19), 6(15), 7	$ 725,037	100	$ 1,476,382	100
COST OF REVENUE	Note 6, 7	(651,416)	(90)	(1,053,046)	(71)
GROSS PROFIT (LOSS)		73,621	10	423,336	29
OPERATING EXPENSES	Note 6, 7				
Selling and marketing		(34,032)	(5)	(50,505)	(3)
General and administrative		(204,264)	(28)	(254,602)	(17)
Research and development		(6,743)	(1)	(4,594)	-
Expected credit loss		-	-	11,837	1
Total operating expenses		(245,039)	(34)	(297,864)	(19)
INCOME (LOSS) FROM OPERATIONS		(171,418)	(24)	125,472	10
NON-OPERATING INCOME AND EXPENSES	Note 4, 6(19), 7				
Other income		19,909	3	36,997	3
Other gains and losses		(38,218)	(5)	(47,727)	(3)
Finance costs		(18,250)	(3)	(27,446)	(2)
Share of profit (loss) of associates and joint ventures accounted for using equity method		(1,724,696)	(238)	(261,670)	(18)
Total non-operating income and expenses		(1,761,255)	(243)	(299,846)	(20)
INCOME BEFORE INCOME TAX		(1,932,673)	(267)	(174,374)	(10)
INCOME TAX	Note 4(23), 5, 6(21)	41,171	6	44,721	3
NET INCOME		(1,891,502)	(261)	(129,653)	(7)
OTHER COMPREHENSIVE INCOME (LOSS)	Note 4, 6(20)				
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans		(323)	-	(2,308)	-
Income tax relared to components of other comprehensive income that will not be reclassified to profit or loss		65	-	462	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(35,200)	(5)	(170,049)	(12)
Other comprehensive income (loss) for the year , net of income tax		(35,458)	(5)	(171,895)	(12)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$ (1,926,960)	(266)	$ (301,548)	(19)
EARNINGS PER SHARE					
Basic and diluted earnings per share	Note 4, 6(22)	$	(2.31)	$	(0.16)

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

(With Candor Taiwan CPAs audit report dated March 29, 2022)

Roo Hsing Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021 and 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent						
			Retained Earnings		Other Equity		
	Capital Stock	Capital Surplus	Legal Capital Reserve	Accumulated Deficits	Foreign Currency Translation Reserve	Treasury Shares	Total Equity
BALANCE, JANUARY 1, 2020	$ 9,034,349	$ 6,787,367	$ 22,341	$ (3,889,861)	$ 17,347	$ (1,410,547)	$ 10,560,996
Increase capital from subsidiaries and others	-	28,843	-	-	-	-	28,843
Changes in ownership interests in subsidiaries	-	(2,533)	-	(141,526)	-	-	(144,059)
Purchase of treasury share	-	-	-	-	-	(45,058)	(45,058)
Cancellation of treasury share	(833,880)	(576,667)	-	-	-	1,410,547	-
Share-based payment transactions	-	11,367	-	-	-	31,401	42,768
Legal Capital Reserve and capital surplus used to cover accumulated deficits	-	(3,811,194)	(22,341)	3,833,535	-	-	-
Net income for the year ended December 31, 2020	-	-	-	(129,653)	-	-	(129,653)
Other comprehensive income for the year ended December 31, 2020	-	-	-	(1,846)	(170,049)	-	(171,895)
BALANCE, DECEMBER 31, 2020	$ 8,200,469	$ 2,437,183	$ -	$ (329,351)	$ (152,702)	$ (13,657)	$ 10,141,942
BALANCE, JANUARY 1, 2021	$ 8,200,469	$ 2,437,183	$ -	$ (329,351)	$ (152,702)	$ (13,657)	$ 10,141,942
Changes in ownership interests in subsidiaries	-	(40,965)	-	(248,888)	-	-	(289,853)
Cancellation of treasury share	(11,320)	(2,337)	-	-	-	13,657	-
Enforcement of disgorgement	-	1,180	-	-	-	-	1,180
Net income for the year ended December 31, 2021	-	-	-	(1,891,502)	-	-	(1,891,502)
Other comprehensive income for the year ended December 31, 2021	-	-	-	(258)	(35,200)	-	(35,458)
BALANCE, DECEMBER 31, 2021	$ 8,189,149	$ 2,395,061	$ -	$ (2,469,999)	$ (187,902)	$ -	$ 7,926,309

The accompanying notes are an integral part of the financial statements.
(With Candor Taiwan CPAs audit report dated March 29, 2022)

Roo Hsing Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ (1,932,673)	$ (174,374)
Adjustments for:		
Depreciation expense	74,964	58,046
Amortization expense	1,219	1,361
Expected credit Loss	-	(11,837)
Net loss on financial assets at fair value through profit or loss	-	(4,985)
Finance costs	18,250	27,446
Interest income	(17,171)	(32,662)
Share of loss (gain) of associates and joint ventures accounted for using equity method	1,724,696	261,670
Loss (gain) on disposal of property, plant and equipment, net	4,690	9
Other income	(103)	-
Provisions for employee benefits	65	(2,308)
Changes in operating assets and liabilities:		
(Increase)decrease in accounts receivable	76,117	(54,173)
(Increase)decrease in accounts receivable due from related parties	208,151	(148,284)
(Increase)decrease in other accounts receivable	(668)	13,972
(Increase)decrease in other receivables due from related parties	(64,738)	(69,327)
(Increase)decrease in inventories	(124)	(5,345)
(Increase)decrease in prepayments	(5,609)	39,585
(Increase)decrease in other current assets	1,272	121,039
Increase(decrease) in contract liabilities	43	-
Increase(decrease) in notes payable	8,644	3,999
Increase(decrease) in accounts payable	(4,854)	2,446
Increase(decrease) in accounts payable to related parties	1,255	35,439
Increase(decrease) in other payable	(9,704)	(47,079)
Increase(decrease) in other payable to related parties	24,791	(17,067)
Increase(decrease) in other current liabilities	834	(520)
Increase(decrease) in net defined benefit liabilities	(839)	(2,489)
Cash generated (used in) from operations	108,508	(5,438)
Interest received	17,254	38,490
Interest paid	(17,990)	(30,023)
Income taxes paid	(1,133)	629
Net cash generated (used in) by operating activities	106,639	3,658

(Continued)

Roo Hsing Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of financial assets at fair value through profit or loss	$ -	$ 115,560
Payments for financial assets at fair value through profit or loss	-	(607)
Payments for financial assets at fair value through other comprehensive income	-	(21,280)
Payments for financial assets measured at amortized cost	(180,446)	(957,867)
Proceeds from redemption of financial assets at amortised cost	185,145	1,674,592
Payments for investment accounted for using equity method	(210,476)	(464,749)
Payments for property, plant and equipment	-	(669)
Proceeds from disposal of property, plant and equipment	583	-
(Increase) decrease in refundable deposits	(9,565)	18,254
(Increase) decrease in other receivables due from related parties	20,942	144,571
(Increase) decrease in long-term accounts receivable due from related parties	(13,907)	(21,340)
(Increase) decrease in prepayments for business facilities	-	(37,353)
Net cash generated (used in) from investing activities	(207,724)	449,112
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	807,431	1,123,758
Decrease in short-term loans	(798,778)	(1,837,981)
Proceeds from long-term loans	73,188	106,811
Repayment of long-term loans	(44,533)	(45,656)
Increase (decrease) in long-term notes payable	(3,164)	6,520
Repayment of thr principal portion of lease liabilities	(8,479)	(7,836)
Employees exercising share option	-	42,768
Purchase of treasury share	-	(45,058)
Debt for equity swaps	-	(2,970)
Treasury shares transfer to employee	-	(654)
Other financing activities	1,180	-
Net cash generated (used in) financing activities	26,845	(660,298)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(74,240)	(207,528)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	181,283	388,811
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 107,043	$ 181,283

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

(With Candor Taiwan CPAs audit report dated March 29, 2022) (Concluded)

ROO HSING CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

1. GENERAL

Roo Hsing Co., Ltd. (the “Company”) was incorporated in the Republic of China (R.O.C.) on November 23, 1977. The Company is a garment manufacturing corporation and engages mainly in the manufacturing, processing, and trading of textiles and clothing.

Roo Hsing’s common shares were publicly listed on Taipei exchange on December 16, 1999, and then listed on the Taiwan Stock Exchange on September 6 2004. Roo Hsing’s registered office and main operations base are located in 13F-4, No.57, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C).

The shareholders meeting approved to change the name of the Group from “Roo Hsing Garment Co., Ltd.” to “Roo Hsing Co., Ltd.” on June 20, 2008. The change was registered on July 30, 2008.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Board of Directors and authorized for issue on March 29, 2022.

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

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company’s accounting policies.

(2) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2022

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018 - 2020 Cycle”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note1： The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note2： The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note3： The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note4： The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023(Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023(Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023(Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) **Statement of Compliance**

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

(2) **Basis of Preparation**

According to article 21 of the Regulations, the profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investments in subsidiaries will be disclosed under "Investments accounted for using the equity method" in the parent company only financial report and change in value will be adjusted.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) **Foreign currency transactions**

The Company's parent company only financial statements are presented in NT$, which is also the parent Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) **Translation of financial statements in foreign currency**

Each foreign operation in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. While preparing the Company parent company only financial statements, the assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The partial disposals are accounted for as disposals when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

Upon the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) **Current and non-current distinction**

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Company holds the asset primarily for the purpose of trading.
C. The Company expects to realize the asset within twelve months after the reporting

period.

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle.
B. The Company holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, check deposit, demand deposits and short-term, highly liquid time deposits (including ones that have original maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) **Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through profit or loss or fair value through profit or loss considering both factors below:

(a) The Company's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through profit or loss on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through profit or loss based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement are recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduces the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

D. Financial liabilities and equity instruments

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled. For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid is recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) **Derivative instrument**

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss. These embedded derivatives are separated from the host contract and accounted for as a derivative.

(9) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) **Inventories**

Inventories are valued at lower of cost and net realizable value item by item. Inventories are generally priced by the weighted average method.

Work in progress includes raw materials and supplies, direct labor, processing cost and a proportion of based on normal operating capacity, but not borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) **Non-current assets held for sale and discontinued operations**

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) **Investments accounted for using the equity method**

According to Art. 21 of Regulation Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in its subsidiaries are presented as Investments accounted for using equity method with necessary adjustments so that the net income and other comprehensive income of individual financial report equal the net income and other comprehensive income attributed to the parent of consolidated financial report, and that the shareholder's equity of individual financial report equals the shareholder's equity attributed to the parent of consolidated financial report. Considering the accounting treatment for investment in subsidiaries specified in IFRS 10 "Consolidated Financial Reports", and the different accounting treatments for different level of investees, necessary adjustments are made by debiting or crediting "Investments accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method", and "Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method".

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the arrangement.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional paid in capital and investments accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss, furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

(13) **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and structures	1~55	years
Machinery and equipment	1~8	years
Office and other equipment	1~50	years
Transportation equipment	5	years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) **Leases**

For contracts entered on or after January 1, 2019, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. The right to obtain substantially all of the economic benefits from use of the identified asset; and
B. The right to direct the use of the identified asset.

The Company elected not to reassess whether a contract is, or contains, a lease on January 1, 2019. The Company is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. Amounts expected to be payable by the lessee under residual value guarantees;
D. The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

E. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. The amount of the initial measurement of the lease liability;
B. Any lease payments made at or before the commencement date, less any lease incentives received;
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.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

<u>The Company as a lessor</u>

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The Company negotiates with the lessor for rent concessions of the Covid-19 to change the lease payments

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by December 31, 2020, that results in the revised consideration for the lease substantially the same as, or less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss in the period in which the events or conditions that trigger the concession occurs, and makes a corresponding adjustment to the lease liability. For other rent concessions with no practical expedient applied, the Company still has to assess whether to account for the rent concessions as lease modifications.

(15) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

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

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired

(16) **Impairment of non-financial assets**

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

(18) **Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) **Revenue recognition**

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

(a) The significant risks and rewards of ownership of the goods have passed to the buyer;
(b) Neither continuing managerial involvement nor effective control over the goods sold has been retained;
(c) The amount of revenue can be measure reliably;
(d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
(e) The costs incurred in respect of the transaction can be measured reliably.

The credit period of the Company'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.

Rendering of services

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

Most of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arisen.

(20) **Borrowing costs**

Borrowing costs that necessarily takes a substantial period of time to get ready for its intended used or sale are capitalized as part of the cost of the respective assets which are directly attributable to the acquisition, construction or production of assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) **Post-employment benefits**

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s parent company only financial statements.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. The date of the plan amendment or curtailment; and
B. The date that the Company recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) **Share-based payment transactions**

The cost of equity-settled transactions between the Company and employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

The Company recognized the amount paid to employees left in the vesting period as liability according to employee turnover rate, and recognized estimated final vesting amount as equity.

(23) **Income taxes**

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(24) **Seasonality of operations**

The Company's operation is seasonal in nature, as higher market demand for the Group's products in the second half of the year results in higher revenues in the second half of the year rather than in the first six months.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or CGU. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

D. Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value on the acquisition date as part of the business combination. The contingent consideration becomes a financial liability as it meets the definition of a derivative, and is subsequently measured at fair value on each reporting date. The determination of fair value is based on discounted cash flows. Key assumptions take into consideration the probability of meeting each performance target and the discount factor.

E. Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Company’s domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

G. Other receivables–estimation of impairment loss

The Company estimates the impairment loss of other receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term other receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6.

H. Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Petty cash	$ 50	$ 50
Cash on hand	3,031	234
Checking accounts and demand deposits	103,962	180,999
Time deposits (Note)	-	-
Total	$ 107,043	$ 181,283

Note: Time deposits are those with original maturity within three months.

Cash and cash equivalents were not pledged. Demand deposits restricted for use, time deposits pledged as collateral, and time deposits with original maturity over three months were reclassified as current financial assets at amortized cost.

(2) Non-current financial assets at fair value through profit or loss

	December 31, 2021	December 31, 2020
Mandatorily measured at fair value through profit or loss:		
Common stocks	$ -	$ -
Preferred stocks	-	264,274
Total	$ -	$ 264,274

The Company acquired 4,900 thousand shares of Type B preferred stock issued by a related party accounted for using the equity method on June 28, 2019. The face value is NT$10. The preferred stocks were issued at par for a total of NT$49,000 thousand. The type B preferred stocks are convertible.

The terms of issue of preferred stocks B are as follows:

(A) The Company will recall all outstanding Type B preferred stocks with a price of actual issuance price plus the unpaid dividends and the dividends which should be distributed for the current year ended recall date in the seventh year from the date of issuance, per Company Act.

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

(C) Type B preferred stocks shareholders can request the Company to recall the Type B preferred stocks before due, but the Company has the right to decline. If the Company accepts, the Company should recall preferred stocks at the original issuance price but accumulated and insufficient undistributed dividends will not be distributed under such condition. Every 3.4 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 Company's Board of Directors' meeting and the general shareholders' meeting approved and resolved the modification of terms of Type B issuance in Note(2) C. If the Company accepts the shareholder's requests to recall Type B preferred stock at original issuance price, accumulated and insufficient undistributed dividends will not be distributed under such condition.

The Company acquired 17,000 thousand shares of Type C preferred stock issued by a related party accounted for using the equity method on June 22, 2015. The face value is NT$10. The preferred stocks were issued at par for a total of NT$170,000 thousand. The Type C preferred stocks are convertible.

The terms of issue of type C preferred stock are as follows:

(A) 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 for the current year ended recall date in the seventh year from the date of issuance, per Company Act.

(B) The annual rate is stated as 8%. Dividends payable for the year and accumulated undistributed dividends should be paid first once there are earnings 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.

(C) Type C preferred stocks shareholders can request the Company to recall the Type C preferred stocks before due, but the Company has the right to decline. If the Company accepts, the Company should recall preferred stocks at the original issuance price but accumulated and insufficient undistributed dividends will not be distributed under such condition. Every 3.4 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 Company's Board of Directors' meeting and the general shareholders' meeting approved and resolved the modification of terms of Type C issuance in Note(2) C. If the Company accepts the shareholder's requests to recall Type C preferred stocks at original issuance price, accumulated and insufficient undistributed dividends will not be distributed under such condition.

For the years ended December 31, 2021 and 2020, the Company recognized interest income from preferred stocks in the amount of NT$13,907 thousand and NT$21,340 thousand.

Preferred stocks of the Company were converted into ordinary shares on November 16, 2021.

(3) Financial assets measured at amortized cost

	December 31, 2021	December 31, 2020
Demand deposits restricted for use	$ 196,502	$ 174,671
Time deposits	260,192	286,722
Total	$ 456,694	$ 461,393

The Company classified certain financial assets as financial assets at amortized cost. Please refer to Note 6 (16) for more details on loss allowance, Note 8 for more details on financial assets measured at cost under pledge, and Note 12 for more details on credit risk.

(4) Accounts receivable, net and accounts receivable due from related parties

	December 31, 2021	December 31, 2020
Accounts receivable (total carrying amount)	$ 16,339	$ 166,018
Less: loss allowance	-	-
Subtotal	16,339	166,018
Accounts receivable due from related parties	-	208,151
Less: loss allowance	-	-
Subtotal	-	208,151
Total	$ 16,339	$ 374,169

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90 day terms. Total carrying amount were NT$16,339 thousand and NT$374,169 thousand as of December 31, 2021 and 2020. Please refer to Note 6 (16) for more details on loss allowance of trade receivables for the years ended December 31, 2021 and 2020 and Note 12 for more details on credit risk management.

(5) Other receivables and other receivable due from related parties

	December 31, 2021	December 31, 2020
Other receivable	$ 204,785	$ 208,631
Less: loss allowance	(202,810)	(207,241)
Subtotal	1,975	1,390
Other receivable due from related parties	877,272	759,914
Total	$ 879,247	$ 761,304

Please refer to Note 6 (16) for more details on loss allowance of trade receivables, and Note 12 for more details on credit risk management.

(6) Inventories

	December 31, 2021	December 31, 2020
Raw materials and supplies	$ 29,219	$ 36,900
Work in process	143,848	110,166
Finished goods	12,187	37,030
Merchandise	-	1,034
Total	$ 185,254	$ 185,130

For the years ended December 31, 2021 and 2020, The Company recognized cost of goods sold of NT$651,416 thousand and NT$1,053,046 thousand, respectively, which included the loss due to decline of inventory was recognized of NT$28,578 thousand and NT$0 thousand, respectively.

Inventories were not pledged.

(7) Prepayments

	December 31, 2021	December 31, 2020
Prepayment for purchases	$ 47,848	$ 47,848
Overpaid sales tax	8,997	7,263
Prepaid expenses	2,415	868
Others	7,992	5,664
Total	$ 67,252	$ 61,643

(8) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	December 31, 2021 Carrying amount	December 31, 2021 Percentage of ownership	December 31, 2020 Carrying amount	December 31, 2020 Percentage of ownership	
Investments in subsidiaries:					
Roo Hsing Garment Co., Ltd.	$ (186,187)	100.00%	$ (172,603)	100.00%	
Roo Hsing Co. Nicaragua, S.A.	(1,489)	100.00%	6,015	100.00%	Note1
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	132,490	100.00%	139,693	100.00%	Note1
Operadora Internacional de Zonas Francas (Managua), S.A.	138,931	100.00%	158,924	100.00%	Note1
Fain Tei Enterprise Company Ltd.(BVI)	(176,063)	100.00%	(38,033)	100.00%	Note2,3
Roo Hsing Garment	14,882	100.00%	32,610	100.00%	Note4
Tooku Holdings Limited	-	100.00%	106,143	100.00%	Note1,10
JD United (BVI) Limited	-	100.00%	9,866,931	100.00%	Note1,10
Intelligence Silicon Technology Co., Ltd.	869	100.00%	1,025	100.00%	Note5
Ten Win Business International Co., Ltd.	546,611	89.58%	260,357	78.35%	Note7
MF Holding Co., Ltd	-	-	319,756	100.00%	Note8
RH International Holdings Limited	6,633,081	100.00%	-	-	Note8,10,11
Xynergy Semiconductor Corporation Limited	848	100.00%	-	-	Note9
RH Global Investment Limited	-	-	-	-	Note6
Subtotal	7,103,973		10,680,818		
Add: Credit balance of investments accounted for using equity method	363,739		210,636		
Less: Accumulated impairment	(31,000)		(2,134,512)		
Total	$ 7,436,712		$ 8,756,942		

Note 1: In 2020, the financial statements of Roo Hsing Co. Nicaragua, S.A., Roo Hsing Garment Co., El Salvador, S.A. DE C.V., Tooku Holdings Limited, JD United (BVI) Limited and Operadora Internacional de Zonas Francas (Managua), S.A., were audited by other auditors.
In 2021, the financial statements of Roo Hsing Co. Nicaragua, S.A., Roo Hsing Garment Co., El Salvador, S.A. DE C.V., and Operadora Internacional de Zonas Francas (Managua), S.A., were audited by other auditors.

Note 2: The Company 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 Company increase capital in the amount of US$500,000 in 2020, the amount of capital was US$16,286,843 and the number of shares issued was 16,336,843 shares. As of December 31 2021, the amount of capital was NT$491,420 thousand.

Note 3: On November 7, 2019, the Company authorized the chairman 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 2021 the amount of capital was US$6,126,556.45 (approximately NT$181,805 thousand).

Note 4: The Company increase capital in the amount of US$300,000 for Roo Hsing Garment Manufacturing Co., Ltd. on October 9, 2019. As of December 31, 2021, the amount of capital was US$4,271,600 (approximately NT$128,495 thousand).

Note 5: The Company authorized the chairman to determine to increase capital in the amount of NT$5,000 thousand on October 23, 2019, per ‘‘Process of Property Acquisition and Disposal”. The Company’s Board of Directors approved in 2020 to increase capital in the amount of NT$2,000 thousand, and the Company’s Board of Directors approved in 2021 to increase capital in the amount of NT$1,000 thousand. The Company’s Board of Directors approved on September 24, 2021 to change the name of Intelligence Silicon Technology Co. , Ltd. As of December 31, 2021, the amount of capital was NT$18,000 thousand.

Note 6: The Company established RH Global Investment Limited on June 4, 2020. No capital has been paid as of December 31, 2021.

Note 7: The Company’s Board of Directors approved on June 6, 2019, to purchase 1,320,000 ordinary shares to the specific objective in the amount of NT$43,996 thousand, per ‘‘Process of Property Acquisition and Disposal”. The Company held 46.5% of shares of Ten Win Business International Co., Ltd., and 23% of shares through the subsidiary Chuwa Wool Industry Co., (Taiwan) Ltd., with 69.5% of shares in total. In addition, the Company’s Board of Directors approved on December 10, 2019, to dispose Han Yan Global Co., Ltd. and indirectly dispose 23% of shares held through Chuwa Wool Industry Co., (Taiwan) Ltd., with 46.5% of shares remaining. Nevertheless, the Company had more than half of the board members, to decide the main operating activities of Ten Win Business International Co., Ltd. with controlling interest. The preferred stock liabilities converted in February 2020, and the remaining held 40.04% of shares of Ten Win Business International Co., Ltd. Please refer to Note 6 (17). The Company purchase 1,840,000 ordinary shares of Ten Win Business International Co., Ltd. in the amount of NT$61,272 thousand, the Company held 59.85% of the shares of Ten Win Business International Co., Ltd. In November 2020, the Company purchased 1,000,000 ordinary shares of Ten Win Business International Co., Ltd. In amount of NT$33,000 thousand, the Company held 70.61% of the shares of Ten Win Business International Co., Ltd. In December 2020, the Company purchased 718,572 ordinary shares of Ten Win Business International Co., Ltd. in amount of NT$23,713 thousand, representing a held 78.35% of shares of Ten Win Business International Co., Ltd. The preferred stock liabilities converted in November, 2021, representing a held 89.58% of shares of Ten Win Business International Co., Ltd.

Note 8: The Company established MF Holding Co., Ltd. on January 14, 2019, and the Company’s Board of Directors approved during 2020 and 2021 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, 2021, the amount of capital was US$22,254 thousand (approximately NT$621,010 thousand).

Note 9: The Company established Xynergy Semiconductor Corporation Limited on September 7, 2020. As of December 31, 2021, the amount of capital was US$10 thousand (approximately NT$283 thousand).

Note10: The Company's Board of Directors approved on September 15, 2021, to conduct organizational restructuring for the purpose of investment efficiency. The company's subsidiary, RH International Holdings Limited, directly hold JD United (BVI) Limited. As of December 31, 2021, the company's subsidiary, RH International Holdings Limited, directly hold Tooku Holdings Limited and JD United (BVI) Limited.

Note11: JD United (BVI) Limited, a subsidiary of the company, calculated the recoverable amount of the cash-generating unit based on its use value to conduct impairment testing on the cash-generating unit. As a result, the company recognized impairment losses of NT$475,884 thousand in 2021.

The related shares of profits (loss) from the subsidiaries, associates and joint ventures under the equity method audited by other auditors amounted to NT$(964,543) thousand and NT$(12,080) thousand, respectively. The related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT$(1,1003,430) thousand and NT$(179,409) thousand, respectively. As of December 31, 2021 and 2020, these subsidiaries, associates and joint ventures under equity method amounted to NT$7,171,600 thousand and NT$8,143,194 thousand, respectively.

Investments accounted for using equity method had no contingent liabilities or capital commitments.

(9) Property, plant and equipment

	December 31, 2021	December 31, 2020
Owner occupied property, plant and equipment	$ 436,743	$ 503,055

(A) Self-used occupied property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office and other equipment	Total
Cost:					
As of January 1, 2021	$ 84,267	$ 26,964	$ 435,446	$ 20,926	$ 567,603
Additions	-	-	-	5,400	5,400
Disposals	-	-	-	(5,452)	(5,432)
Transfers	-	-	-	-	-
As of December 31, 2021	$ 84,267	$ 26,964	$ 435,446	$ 20,874	$ 567,551
Depreciation and impairment:					
As of January 1, 2021	$ -	$ 9,601	$ 45,871	$ 9,076	$ 64,548
Depreciation	-	1,512	62,206	2,721	66,439
Disposals	-	-	-	(179)	(179)
As of December 31, 2021	$ -	$ 11,113	$ 108,077	$ 11,618	$ 130,808
Net carrying amount as of:					
December 31, 2021	$ 84,267	$ 15,851	$ 327,369	$ 9,256	$ 436,743

	Land	Buildings and structures	Machinery and equipment	Office and other equipment	Total
Cost:					
As of January 1, 2020	$ 84,267	$ 26,964	$ -	$ 20,293	$ 131,524
Additions	-	-	-	669	669
Disposals	-	-	-	36	(36)
Transfers	-	-	435,446	-	435,446
As of December 31, 2020	$ 84,267	$ 26,964	$ 435,446	$ 20,926	$ 567,603
Depreciation and impairment:					
As of January 1, 2020	$ -	$ 8,090	$ -	$ 6,328	$ 14,418
Depreciation	-	1,511	45,871	2,775	50,157
Disposals	-	-	-	(27)	(27)
As of December 31, 2020	$ -	$ 9,601	$ 45,871	$ 9,076	$ 64,548
Net carrying amount as of:					
December 31, 2020	$ 84,267	$ 17,363	$ 389,575	$ 11,850	$ 503,055

Components of buildings of the Company are mainly buildings and decoration, which are depreciated over 55 years and 5 - 10 years, respectively, depending on their useful lives.

Please refer to Note 8 for more details on property, plant and equipment pledged.

(10) Intangible assets

	Computer software
Cost:	
As of January 1, 2021	$ 13,261
Additions	-
As of December 31, 2021	$ 13,261
As of January 1, 2020	$ 13,261
Additions	-
As of December 31, 2020	$ 13,261

	Computer software
Amortization and impairment:	
As of January 1 2021	$ 8,390
Amortization	1,219
Disposals	-
As of December 31 2021	$ 9,609
As of January 1, 2020	$ 7,029
Amortization	1,361
Disposals	-
As of December 31,2020	$ 8,390
Net carrying amount as of	
December 31,2021	$ 3,652
December 31,2020	$ 4,871

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Amortization expense of intangible assets under the statement of comprehensive income:

	For the year ended December 31	
	2021	2020
Operating expenses	$ 1,219	$ 1,361

(11) Short-term loans

	Interest Rate (%)	December 31, 2021	December 31, 2020
Unsecured bank loans	1.80~2.30	$ 240,000	$ 540,000
Secured bank and finance company loans	1.83	300,000	-
Letter of credit	1.15~2.55	209,744	201,091
Total		$ 749,744	$ 741,091

The Company's unused short-term lines of credits amounted to NT$15,783 thousand and NT$123,470 thousand as of December 31 2021 and 2020, respectively.

Please refer to Note 8 for more details about secured bank and finance company loans.

(12) Long-term loans

Details of long-term borrowings As of December 31 2021 and 2020 are as follows:

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. Interest paid monthly.
Taiwan Business Bank Co., Ltd.	30,138	1~1.84	Repayable monthly from June 20, 2020 to June 20, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.

Lenders	December 31,2021	Interest Rate (%)	Maturity date and terms of repayment
Taiwan Cooperative Bank Co., Ltd.	38,362	1.84	Repayable monthly from November 13, 2020 to November 13, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	3,835	1.00	Repayable monthly from November 18, 2020 to November 18, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	6,000	1.50	Repayable monthly from December 9, 2020 to December 9, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Chailease Specialty Finance Co., Ltd.	43,720	2.75	Repayment is made in 24 monthly installments from March 10, 2021 to March 10, 2023. Interest will be paid monthly.
Subtotal	132,760		
Less: current portion	(86,562)		
Total	$ 46,198		

Lenders	December 31,2020	Interest Rate (%)	Maturity date and terms of repayment
Chang Hwa Commercial Bank, Ltd.	$17,293	2.00	Repayable monthly from July 16, 2020 to July 16, 2023. Interest paid monthly.
Taiwan Business Bank Co., Ltd.	40,000	1~1.84	Repayable monthly from June 20, 2020 to June 20, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	40,000	1.84	Repayable monthly from November 13, 2020 to November 13, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	4,000	1.00	Repayable monthly from November 18, 2020 to November 18, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Taiwan Cooperative Bank Co., Ltd.	2,812	1.50	Repayable monthly from December 9, 2020 to December 9, 2023. Interest paid monthly in the first 12 periods. Since 13 periods, interest and principal paid monthly with annuity method.
Subtotal	104,105		
Less: current portion	(18,252)		
Total	$ 85,853		

Please refer to Note 8 for more details about secured bank and finance company loans.

(13) Post-employment benefits defined contribution plan

Defined contribution plan

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

Expenses under the defined contribution plan for the years ended December 31, 2021 and 2020 are NT$2,815 thousand and NT$3,352 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor standards Act, The Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. At the end of each year, if the balance in the designated labor pension reserve funds is inadequate to cover the benefit estimated to be paid in the following year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the regulations for revenues, expenditures, safeguard and utilization of the labor retirement fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$138 thousand and NT$216 thousand to its defined benefit plan during the 12 months after December 31, 2021 and 2020, respectively.

Pension costs recognized in profit or loss are as follows:

	For the year ended December 31	
	2021	2020
Current period service costs	$ -	$ -
Interest income of net defined benefit assets	(7)	(31)
Total	$ (7)	$ (31)

Reconciliations of assets (liabilities) of the defined benefit obligation and fair value of plan assets are as follows:

	December,31 2021	December 31, 2020	January 1, 2020
Defined benefit obligation	$ (5,206)	$ (4,822)	$ (7,048)
Plan assets at fair value	3,849	2,948	2,686
Other non-current (liabilities) assets－Net defined benefit (liabilities) assets on consolidated balance sheets	$ (1,357)	$ (1,874)	$ (4,362)

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

	Defined benefit obligation	Fair value of plan assets	Net defined benefit (liabilities) assets
As of January 1, 2020	$ (7,048)	$ 2,686	$ (4,362)
Current period service cost	-	-	-
Net interest (expenses) income	(38)	7	(31)
Subtotal	(38)	7	(31)
Remeasurements of the net defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	(78)	-	(78)
Experience adjustments	(2,328)	98	(2,230)
Subtotal	(2,406)	98	(2,308)
Payment of benefit obligation	4,670	-	4,670
Contributions by employer	-	157	157
As of December 31 2020	(4,822)	2,948	(1,874)
Current period service cost	-	-	-
Net interest (expenses) income	(11)	5	(6)
Subtotal	(11)	5	(6)
Remeasurements of the net defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(121)		(121)
Actuarial gains and losses arising from changes in financial assumptions	88	-	88
Experience adjustments	(340)	50	(290)
Subtotal	(373)	50	(323)
Payment of benefit obligation	-	-	-
Contributions by employer	-	846	846
As of December 31 2021	$ (5,206)	$ 3,849	$ (1,357)

The principal assumptions used in determining the Company’s defined benefit plan are shown below:

	December 31, 2021	December 31, 2020
Discount rate	0.69%	0.38%
Expected rate of salary increases	2.50%	2.50%

Sensitivity analysis for significant assumption is shown below:

	For the year ended December 31			
	2021		2020	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.25%	$ -	$ 73	$ -	$ 71
Discount rate decreases by 0.25%	74	-	73	-
Future salary increases by 0.25%	59	-	58	-
Future salary decreases by 0.25%	-	60	-	59

The sensitivity analysis above are based on a change in a significant assumption (for example: change in 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 of one another.

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

(14) Equities

A. Ordinary share

The Company's authorized capital were NT$15,000,000 thousand and NT$12,000,000 thousand as of December 31, 2021 and 2020, respectively. The Company's issued capital were NT$8,189,149 thousand and NT$8,200,469 thousand as of December 31, 2021 and 2020, respectively, each at a par value of NT$10. The company has issued 818,915 thousand shares and 820,047 thousand ordinary shares as of December 31, 2021 and 2020, respectively. Each share has one voting right and a right to receive dividends.

B. Capital surplus

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital surplus reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

Resolved by the Company's Board of Directors on March 25, 2020, the Company planned to buy back 6,900 thousand shares to maintain the Company's credit and shareholders' equity from March 26, 2020 to May 24, 2020. The number and amount of shares actually bought back were 3,477 thousand shares and NT$31,401 thousand, respectively. The purpose of the repurchase was changed by a resolution of the Board of Directors on July 14, 2020 to motivate employees and promote their efforts to buy back treasury stock and transfer to employees. The shares were transferred to employees in three years from the date of the buyback.

Resolved by the Company’s Board of Directors on May 15, 2020, the Company cancelled 83,388 thousand overdue untransferred treasury shares, with an average price of NT$16.9155 per share, for a total of NT$1,410,547 thousand. The base date for the capital reduction was on May 30, 2020. The capital reduction amounted to NT$833,880 thousand, and the capital reserve reduction amounted to NT$576,667 thousand.

Resolved by the Company’s Board of Directors on August 13, 2020, the transfer of employee treasury shares was 3,477 thousand shares at a transfer price of NT$9.03 per share. The closing price of the Board of Directors on that day was NT$12.3, and the actual subscription was 3,477 thousand shares. The expense recognized for the share-based payment transaction was NT$11,367 thousand.

Resolved by the Company’s Board of Directors on September 22, 2020, the Company planned to buy back 10,000 thousand shares to maintain the Company’s credit and shareholders’ equity from September 23, 2020 to November 22, 2020. The number and amount of shares actually bought back were 1,132 thousand shares and NT$13,657 thousand, respectively.

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

As of December 31, 2021 and 2020, the treasury shares held by the Company were NT$0 thousand and NT$13,657 thousand respectively, and the number of treasury shares held by the Company were 0 thousand and 1,132 thousand ordinary shares respectively.

D. 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% of the remaining amount after deducting items (a) and (b) as legal reserve;
(d) Set aside or reverse special reserve in accordance with law and regulations; and
(e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholder’s meeting.

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

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the amount of capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The Annual general meeting approved and resolved the appropriation of profit or loss on July 15, 2021. Retained earnings were not distributed because the Company was at an accumulative loss.

The company made up for the loss through a capital reduction through the shareholders meeting on June 30, 2020, and made up for the loss with a statutory surplus reserve of NT$22,341 thousand and a capital reserve-common stock premium of NT$3,811,194 thousand.

Please refer to Note 6(18) for more details of employees' compensation and remuneration to directors and supervisors.

(15) Operating revenue

	For years ended December 31	
	2021	2020
Sale of goods	$ 657,099	$1,200,532
Other operating revenues	67,938	275,851
Total	$ 725,037	$1,476,383

Analysis of revenue from contracts with customers during the year is as follows.

Disaggregation of revenue

		For years ended December 31	
Type	Timing of revenue recognition	2021	2020
Sale of goods	At a point in time	$ 657,099	$ 1,200,532
Rendering of services	At a point in time	67,938	275,851
Total		$ 725,037	$ 1,476,383

(16) Expected credit loss (gain)

	For the year ended December 31	
	2021	2020
Operating expenses – Expected credit loss / (gain)		
Accounts receivable	$ -	$ (1)
Other receivables	-	(11,835)
Total	$ -	$ (11,836)

Please refer to Note 12 for more details on credit risk.

The Company's financial assets measured at amortized cost were evaluated as low credit risk as of December 31, 2021 and 2020 and The Company's counter-parties are all financial institutions with good credit. Therefore, the allowance for losses measured at 12-month expected credit losses (loss ratio of 0%) was $0 thousand.

The Company measures the loss allowance of its trade receivables (including notes receivable and accounts receivables) at an amount equal to lifetime expected credit loss. The assessment of The Company's loss allowance As of December 31, 2021 and 2020 are as follows:

The Company considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

	December 31,2021				
		Number of days overdue			
	Not yet due	0-90 days	91-180 days	Over 181 days (Note)	Total
Gross carrying amount	$ 16,294	$ 45	$ -	$ -	$ 16,339
Loss ratio	-	-	-	50%~100%	
Lifetime expected credit loss	-	-	-	-	-
Carrying amount	$ 16,294	$ 45	$ -	$ -	$ 16,339

	December 31,2020				
		Number of days overdue			
	Not yet due	0-90 days	91-180 days	Over 181 days (Note)	Total
Gross carrying amount	$ 70,306	$ 14,328	$ 81,384	$ -	$ 166,018
Loss ratio	-	-	-	50%~100%	
Lifetime expected credit loss	-	-	-	-	-
Carrying amount	$ 70,306	$ 14,328	$ 81,384	$ -	$ 166,018

Note: The Company's accounts receivables over 360 days overdue are recognized in full as provision for impairment because possibility of collection is considered low.

The Company also measures the loss allowance of its other receivables by lifetime expected credit loss. The other receivables of The Company amounted to NT$1,082,057 thousand and NT$968,545 as of December 31, 2021 and 2020. Considering the counterparty's credit situation, the loss allowances of NT$202,810 thousand and NT$207,241 had been accrued, respectively, and the rest had no significant credit risk.

The movement in the provision for impairment of accounts receivable and other receivables are as follows:

	Accounts receivable	Other receivables
Beginning balance January 1, 2021	$ -	$ 207,241
Addition/(reversal) for the current period	-	-
Write-off due to uncollectible	-	-
Exchange differences	-	(4,431)
Ending balance December 31, 2021	$ -	$ 202,810

	Accounts receivable	Other receivables
Beginning balance January 1, 2020	$ 1,523	$ 223,957
Addition/(reversal) for the current period	(1)	(11,835)
Write-off due to uncollectible	(1,522)	-
Exchange differences	-	(4,881)
Ending balance December 31, 2020	$ -	$ 207,241

(17) Leases

A. The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment, and office and other equipment. The lease terms range from 1 year to 5 years.
The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2021	December 31, 2020
Buildings and structures	$ 3,035	$ 19,450
Transportation equipment	3,869	2,322
Office equipment	54	101
Total	$ 6,958	$ 21,873

The Company added NT$3,953 thousand and NT$16,514 thousand of the right-of-use assets for the years ended December 31, 2021 and 2020, respectively.

ii. Lease liabilities

	December 31, 2021	December 31, 2020
Current	$ 5,307	$ 8,147
Non-current	1,779	13,911
Total	$ 7,086	$ 22,058

Range of discount rate for lease liabilities was 1.5264% - 2.6600% (annual interest rate).

Please refer to Note 6 (19) for the interest on lease liabilities recognized and refer to Note 12 the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31	
	2021	2020
Buildings and structures	$ 6,071	$ 4,721
Transportation equipment	2,407	3,072
Office equipment	47	96
Total	$ 8,525	$ 7,889

(c) Income and costs related to leasing activities

	For the year ended December 31	
	2021	2020
The expenses relating to short-term leases	$ 1,602	$ 6,010

(d) Cash outflow related to leasing activities

During the years ended December 31, 2021 and 2020, The Company's total cash outflows for leases amounted to NT$8,479 thousand and NT$7,836 thousand, respectively.

(e) Other information related to leasing activities

Extension and termination options

Some of the Company's property rental agreement contains extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. The Company as a lessor (applicable to the disclosure requirement under IFRS 16)

Please refer to Note 6 (9) for details on the Company's owned properties and properties held by the Company as right-of-use assets. Leases of owned properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31	
	2021	2020
Lease income recognized by operating lease		
Related income from fixed lease payments	$ 216	$ 248

(18) Summary statement of employee benefits, depreciation and amortization expense by function

Function / Nature	For the year ended December 31					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expenses						
Salaries	$ 1,076	$71,608	$72,684	$ -	$92,472	$92,472
Labor and health insurance	8	5,855	5,863	-	5,740	5,740
Pension	-	2,815	2,815	-	3,383	3,383
Directors' remuneration	-	6,300	6,300	-	6,460	6,460
Other employee benefits expenses	16	2,407	2,423	200	2,672	2,872
Depreciation	2,337	72,627	74,964	1,161	56,885	58,046
Amortization	-	1,219	1,219	-	1,361	1,361

The number of the Company’s employees was 60 and 72 as of December 31, 2021 and 2020, respectively. The number of non-employee directors was 6 and 5 as of December 31, 2021 and 2020, respectively.

A. The company's average employee benefit expenses for 2021 and 2020 were NT$1,551 thousand and NT$1,559 thousand.
B. The company’s average employee salary expense for 2021 and 2020 were NT$1,346 thousand and NT$1,380 thousand, respectively.
C. The percentage change in the average employee salary expenses adjustment was (2.48)%.
D. The Company's compensation policy (including directors, officers and employees) is described below:
   (a) The remuneration of the directors is based on the Articles of Incorporation approved by the shareholders' meeting. The directors may be paid monthly at their discretion, regardless of profit or loss, and their remuneration is authorized to be agreed upon by the Board of Directors based on the value of their participation in and contribution to the operations of the Company.
   (b) The manager's compensation is determined based on his or her personal performance, the Company's operating results for the year, and an assessment of the relevance of the Company's future operations.
   (c) The salary of employees is negotiated with employees according to the employee salary plan, and shall not be lower than the basic salary. The company also conducts regular performance appraisals as the basis for salary and bonus adjustments, job transfers, appointments and dismissals.
E. Since the Company has established an audit committee, no supervisors are applicable and no disclosure of supervisors' remuneration information is required.

According to the Company’s Articles of Incorporation, no lower than 5% of profit of the current year is distributable as employees’ compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors and supervisors. However, accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of 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 thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the board of directors’ resolution regarding the employees’ compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the Taiwan Stock Exchange Corporation ("TWSE").

The Company incurred net loss as of the year ended December 31, 2021 and 2020, so the Company was not required to estimate employee bonuses and remuneration to directors. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the difference will be recognized as an adjustment to income of next year.

The Board of Directors resolved not to distribute employee bonuses and remuneration to directors on March 29, 2021. There was no difference between the actual amount of employee bonuses and remuneration to directors and the amount recognized as expenses on the financial report for the year ended 31 December 2020.

(19) Non-operating income and expenses

A. Other income

	For the year ended December 31	
	2021	2020
Rental income	$ 216	$ 248
Interest income		
Bank savings	1,208	5,962
Financial assets at fair value through profit or loss	13,907	21,340
Other interest revenue	2,057	5,360
Subtotal	17,388	32,662
Others	2,521	4,087
Total	$ 19,909	$ 36,997

B. Other gains and losses

	For the year ended December 31	
	2021	2020
Gains (losses) on disposal of property, plant and equipment	$ (4,690)	$ (9)
Gains on financial assets at fair value through profit or loss	-	4,985
Foreign exchange gains / (losses), net	(28,854)	(52,703)
Others expenses(Note1)	(4,674)	-
Total	$ (38,218)	$ (47,727)

Note 1：This is the compensation loss arising from the early termination of the contract.

C. Finance costs

	For the year ended December 31	
	2021	2020
Interest on loans from bank	$ 14,961	$ 21,305
Letter of Credit Repayment Interest.	2,919	5,838
Interest for leases liabilities	370	303
Total	$ 18,250	$ 27,446

(20) Components of other comprehensive income

	For the year ended December 31, 2021				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 65	$ -	$ (323)	$ 65	$ (258)
Not to be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(35,200)	-	(35,200)	-	(35,200)
Total of other comprehensive income	$ (35,135)	$ -	$ (35,523)	$ 65	$ (35,458)

	For the year ended December 31, 2020				
	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
To be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 462	$ -	$ 462	$ (2,308)	$ (1,846)
Not to be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(170,049)	-	-	(170,049)	(170,049)
Total of other comprehensive income	$ (169,587)	$ -	$ 462	$ (172,357)	$ (171,895)

(21) Income tax

(a) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the year ended December 31	
	2021	2020
Current income tax expense:		
Land value increment tax paid in the current period	$ 3,931	$ -
Deferred tax benefit:		
Deferred tax income related to origination and reversal of temporary differences	(45,102)	(44,271)
Deferred tax expense relating to changes in tax rate	-	-
Total income tax (income) expense	$ (41,171)	$ (44,271)

Income tax related to components of other comprehensive income

	For the year ended December 31	
	2021	2020
Deferred tax expense		
Defined benefit liabilities	$ 323	$ 2,308
Exchange differences resulting from translating the financial statements of foreign operations	-	-
Income tax related to components of other comprehensive income	$ 323	$ 2,308

(b) Reconciliation between tax expense and accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31	
	2021	2020
Accounting loss before tax from continuing operations	$ (1,456,789)	$ (174,374)
Income tax calculated at the statutory income tax rate of the parent country	$ (291,358)	$ (34,875)
Tax effect of revenues exempt from taxation	249,762	52,918
Tax effect of expenses not deductible for tax purposes	-	1,949
Tax effect of deferred tax assets/liabilities	(361)	(64,713)
Land value increment tax paid in the current period	786	-
Total income tax expense (income) recognized in profit or loss	$ (41,171)	$ (44,721)

(c) Deferred tax assets (liabilities) relate to the following:

	December 31, 2021				
	Beginning balance at January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition through business combinations	Ending balance at December 31, 2021
Temporary differences					
Defined benefit liabilities	$ 836	$ (630)	$ 65	$ -	$ 271
Fair value adjustments from business combinations	(304,207)	45,731	-	-	(258,476)
Deferred tax (expense) / income		$ 45,101	$ 65	$ -	
Net deferred tax assets (liabilities)	$ (303,371)				$ (258,205)
Reflected in balance sheet as follows:					
Deferred tax assets	$ 836				$ 271
Deferred tax liabilities	$ (304,207)				$ (258,476)

	December 31, 2020				
	Beginning balance at January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition through business combinations	Ending balance at December 31, 2020
Temporary differences					
Defined benefit liabilities	$ 872	$ (498)	$ 462	$ -	$ 836
Fair value adjustments from business combinations	(349,426)	45,219	-	-	(304,207)
Deferred tax (expense) / income		$ 44,721	$ 462	$ -	
Net deferred tax assets (liabilities)	$ (348,554)				$ (303,371)
Reflected in balance sheet as follows:					
Deferred tax assets	$ 872				$ 836
Deferred tax liabilities	$ (349,426)				$ (304,207)

(d) The information of the unused tax loss carry-forward is as follows:

Year	Tax losses for the period	Unused tax losses December 31, 2021	Unused tax losses December 31, 2020	Expiration year
2015	$ 251,854	$ 188,973	$ 74,183	2025
2016	52,474	52,474	52,474	2026
2017	479,880	479,880	479,880	2027
2018	57,254	57,254	57,254	2028
2020	14,150	14,150	-	2030
2021	211,999	211,999	-	2031
		$ 1,004,730	$ 663,791	

Unrecognized deferred tax assets

As of December 31, 2021 and 2020, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amounted to NT$259,526 thousand and NT$194,037 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

With respect to potential income tax payable when remitting the undistributed earnings from overseas subsidiaries, The Company did not recognize any related deferred tax liabilities. The Company will not distribute undistributed earnings in the foreseeable future.

(e) The assessment of income tax returns

As of date of the auditor's report (March 29, 2022), the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2020

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the year ended December 31 2021	For the year ended December 31 2020
Basic earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT$)	$ (1,891,502)	$ (129,653)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	818,915	817,799
Basic earnings per share (NT$)	$ (2.31)	$ (0.16)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Roo Hsing Garment Co., Ltd.	Subsidiary
Roo Hsing Co. Nicaragua, S.A.	Subsidiary
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	Subsidiary
Roo Hsing Garment Manufacturing Co., Ltd.	Subsidiary
Fain Tei Enterprise Company Ltd.(BVI)	Subsidiary
Hung Hsing Garment (Cambodia) Co., Ltd.	Subsidiary
Roo Hsing Shanghai Import & Export Co., Ltd.	Subsidiary
Intelligence Silicon Technology Co., Ltd.	Subsidiary
Nanjing USA, Inc.	Subsidiary
J.D. United Trading Co., Ltd.	Subsidiary
JD United (BVI) Limited	Subsidiary
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Subsidiary
Nagapeace Corporation Limited	Subsidiary
Tanzania Tooku Garments Co., Ltd.	Subsidiary
Changzhou Tooku Garments Co., Ltd.	Subsidiary
Ten Win Business International Co., Ltd.	Subsidiary
Tien Le Shan Business Co., Ltd.	Subsidiary(Note3)
Max Zipper Co., Ltd.	Substantive related party (Note1)
JD United Holdings Limited.	Substantive related party
Well& David Corp.	Substantive related party (Note2)
Wei Hao Investment Limited	Director of the Company
Heng Shing Li Feng Co., Ltd	Key management with the Company
HNY Investment Limited	Key management with the Company
Zijinniu Investment Limited	Key management with the Company
Mr. Chen, Shih-Hsiu	President of the Company(Note4)
Mr. Sun, Yang	General Manager of the Company
Mr. Hsu, Chung-Jung	CFO of the Company
Mr. Chen, Chi-Ping	Director of the Company
Mr. Yang, Ying-Tsu	General Manager of a subsidiary of the Company
Mr. Chien, Fei	General Manager of a subsidiary of the Company
Mr. Ji, Yao	Director of a subsidiary of the Company
Mr. Wu, Bin	Director of a subsidiary of the Company

Note 1: A related party from June 18 to November 13, 2020, due to Mr. Chen, Shih-Hsiu resigned from the director of the Max Zipper Co, Ltd.
Note 2: A related party from July 1, 2020.
Note 3: A related party from June 21, 2021.
Note 4: The director was removed on November 21, 2021.

(1) Sales revenue

	For the year ended December 31	
	2021	2020
Subsidiaries:		
Hung Hsing Garment (Cambodia) Co., Ltd.	$ 25,201	$ 21,165
Nagapeace Corporation Limited	19,696	14,188
Tanzania Tooku Garments Co., Ltd.	17,630	10,619
Roo Hsing Garment Co., Ltd.	6,639	5,827
Substantive related party of the company:		
Well& David Corp.	-	3
Total	$ 69,166	$ 51,802

(2) Service revenue

	For the year ended December 31	
	2021	2020
Subsidiary:		
Nanjing USA, Inc.	$ (1,228)	$ 210,655

(3) Purchases

	For the year ended December 31	
	2021	2020
Subsidiaries:		
Changzhou Guangzhou Manchuria Trading Co., Ltd.	$ -	$ 85,910
J.D. United Trading Co., Ltd.	2,677	1,663
Nagapeace Corporation Limited	-	62,656
Substantive related party:		
Well& David Corp.	26	-
Max Zipper Co., Ltd.	-	4,905
Total	$ 2,703	$ 155,134

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers.

(4) Rental income

	For the year ended December 31	
	2021	2020
Subsidiaries:		
Ten Win Business International Co., Ltd.	$ 24	$ -
Intelligence Silicon Technology Co., Ltd.	34	110
Tien Le Shan Business Co., Ltd.	20	-
Other related party:		
Wei Hao Investment Limited	34	34
Heng Shing Li Feng Co., Ltd	34	34
HNY Investment Limited	34	34
Zijinniu Investment Limited	34	34
Total	$ 214	$ 246

(5) The manufacturing and operating expenses paid by the Company to related parties were as follows:

	For the year ended December 31	
	2021	2020
Subsidiaries:		
Roo Hsing Garment Co., Ltd.- Processing charges	$ 242,163	$ 406,777
Changzhou Guangzhou Manchuria Trading Co., Ltd.- Cost of supply	-	9,934
Overhead	$ 242,163	$ 416,711

	For the year ended December 31	
	2021	2020
Subsidiaries:		
J.D. United Trading Co., Ltd.-Service fees	$ 9,788	$ -
Other	-	280
Operating expenses	$ 9,788	$ 280

(6) Other revenue

	For the year ended December 31	
	2021	2020
Subsidiary:		
J.D. United Trading Co., Ltd.	$ 2,018	$ 3,425

(7) Other expense

	For the year ended December 31	
	2021	2020
Subsidiary:		
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	$ 130	$ -

(8) Interest income

	For the year ended December 31	
	2021	2020
Subsidiaries:		
Ten Win Business International Co., Ltd.	$ 13,907	$ 21,340
J.D. United Trading Co., Ltd.	2,036	5,279
Total	$ 15,943	$ 26,619

(9) Accounts receivable due from related parties

	December 31, 2021	December 31, 2020
Subsidiary:		
Nanjing USA, Inc.	$ -	$ 208,151

(10) Other receivables due from related parties

	December 31, 2021	December 31, 2020
Subsidiaries:		
Roo Hsing Garment Co., Ltd	$ 411,652	$ 411,024
J.D. United (BVI) Limited	164,457	164,457
J.D. United Trading Co., Ltd.	113,981	35,560
Hung Hsing Garment (Cambodia) Co., Ltd.	44,882	20,507
Tanzania Tooku Garments Co., Ltd.	32,007	14,973
Changzhou Tooku Garments Co., Ltd.	11,309	12,724
Nagapeace Corporation Limited	26,848	7,538
Other	2,508	2,561
Total	$ 807,644	$ 669,344

Other receivables are for the purchase of raw materials on behalf of related parties.

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

	As of December 31, 2021			
	Maximum balance	Ending balance	Interest rate	Interest receivable
Subsidiary:				
J.D. United Trading Co., Ltd.	$ 86,085	$ 68,646	2.28%-2.30%	$ 982

	As of December 31, 2020			
	Maximum balance	Ending balance	Interest rate	Interest receivable
Subsidiary:				
J.D. United Trading Co., Ltd.	$206,862	$ 88,573	2.89%	$ 1,997

(12) Prepayments

	December 31, 2021	December 31, 2020
Subsidiary:		
Fain Tei Enterprise Company Ltd.(BVI)	$ 47,848	$ 45,568

(13) Non-current financial assets at fair value through profit or loss

	December 31, 2021	December 31, 2020
Subsidiary:		
Ten Win Business International Co., Ltd.	$ -	$ 240,280

(14) Long-term accounts receivable due from related parties

	December 31, 2021	December 31, 2020
Subsidiary:		
Ten Win Business International Co., Ltd.	$ -	$ 87,759

(15) Accounts payable to related parties

	December 31, 2021	December 31, 2020
Subsidiaries:		
Nagapeace Corporation Limited	$ 35,236	$ 36,378
J.D. United Trading Co., Ltd.	4,180	1,600
Changzhou Guangzhou Manchuria Trading Co., Ltd.	321	504
Total	$ 39,737	$ 38,482

(16) Other payables to related parties

	December 31, 2021	December 31, 2020
Subsidiaries:		
J.D. United Trading Co., Ltd.	$ 12,375	$ 2,634
Roo Hsing Garment Co., El Salvador, S.A. DE C.V..	-	125
Fain Tei Enterprise Company Ltd.(BVI)	15,000	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	175	-
Total	$ 27,550	$ 2,759

(17) The Companies' entrustment of holding shares in subsidiaries is as follows:

	December 31,2021		December 31,2020	
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
	Mr. Yang, Ying-Tsu	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
	Mr. Yang, Ying-Tsu	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
	Mr. Wu, Bin	1 share	Mr. Wu, Bin	1 share

(18) Key management personnel compensation

	For the year ended December 31	
	2021	2020
Short-term employee benefits	$ 30,171	$ 33,173
Post-employment benefits	385	446
Total	$ 30,556	$ 33,619

(19) The president (was removed on November 21, 2021) and general manager of the Company are the co-guarantors of bank loans held by the Company.

(20) Please refer to Attachment 2 for more information about endorsement and guarantee provided to related parties.

8. PLEDGED ASSETS

The following table lists assets of the Company pledged as security:

Items	Carrying amount December 31, 2021	Carrying amount December 31, 2020	Secured liabilities
Current financial assets at amortized cost(reserve accounts)	$ 456,694	$ 461,393	Short-term loans and customs duty guarantee
Property, plant and equipment- Land	84,267	84,267	Short-term loans
Property, plant and equipment- Buildings	15,851	17,363	Short-term loans
Refundable deposits	10,500	-	Long-term loans
Total	$ 567,312	$ 563,023	

The company pledges the land of its subsidiary, Ten Win Business International Co., Ltd. as a guarantee for long-term loans, as of December 31, 2021.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Amounts available under unused letters of credit as of December 31, 2021 and 2020 is NT$41,210 thousand and NT$50,783 thousand, respectively.

10. LOSSES DUE TO MAJOR DISASTERS : None

11. SIGNIFICANT SUBSEQUENT EVENTS

(1) Since January 2020, the world has been affected by Covid-19, the Company has cooperated with local government agencies to take relevant countermeasures. Since January 2022, because the information is still unclear and the impact of the operation and financial condition cannot be reasonably estimated, the Company will continue to monitor the pandemic situation for immediate assessment.

12. OTHERS MATTERS

(1) Categories of financial instruments

	December 31, 2021	December31, 2020
Financial assets		
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$ -	$ 264,274
Financial assets measured at amortized cost (Note 1)	1,470,124	1,869,941
Total	$ 1,470,124	$ 2,134,215

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities measured at amortized cost:		
Short-term loans	$ 749,744	$ 741,091
Notes payable	12,643	3,999
Accounts payable (including related parties)	53,683	57,282
Other payables (including related parties)	103,375	88,028
Lease liability	7,086	22,058
Long-term loans (including current portion)	132,760	104,105
Total	$ 1,059,291	$ 1,016,563

Note1: Including cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, accounts receivable (including related parties), net, other receivables (including related parties), and refundable deposits.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable; there is usually interdependency between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

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

A. When NTD strengthens/weakens against USD by 1%, the loss for the years ended December 31, 2021 and 2020 are increased/decreased by NT$6,569 thousand and NT$11,122 thousand, respectively.
B. When NTD strengthens/weakens against EUR by 1%, the loss for the years ended December 31, 2021 and 2020 are increased/decreased by NT$113 thousand and NT$126 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.
The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, an increase/decrease of 10 basis points of interest rate (thousandth) in a reporting period could cause the loss for the years ended December 31, 2021 and 2020 to increased/decreased by NT$17 thousand and NT$27 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counterparties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2021, and 2020 accounts receivables from top ten customers represent 100% and 100% of the total accounts receivables of the Company, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and convertible bonds. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2021					
Short-term loans	$ 749,744	$ -	$ -	$ -	$ 749,744
Notes payable	12,643	-	-	-	12,643
Accounts payable (include related parties)	53,683	-	-	-	53,683
Other payables (include related parties)	103,375	-	-	-	103,375
Provisions – current	1,991	-	-	-	1,991
Lease liabilities (Note)	5,307	1,486	293	941	7,086
Long-term loans (including current portion)	86,562	46,198	-	-	132,760

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2020					
Short-term loans	$ 741,091	$ -	$ -	$ -	$ 741,091
Notes payable	3,999	-	-	-	3,999
Accounts payable (include related parties)	57,282	-	-	-	57,282
Other payables (include related parties)	88,028	-	-	-	88,028
Provisions – current	1,991	-	-	-	1,991
Lease liabilities (Note)	8,147	9,498	3,472	941	22,058
Long-term loans (including current portion)	18,252	85,853	-	-	104,105

Note: Includes cash flows from lease contracts for short-term leases and low-value underlying assets.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2021

	Short-term loans	Leases liabilities	Long-term loans	Total liabilities from financing activities
As of January 1, 2021	$ 741,091	$ 22,058	$ 104,105	$ 867,254
Cash flows	4,462	(8,478)	28,655	24,639
Non-cash changes	-	(6,494)	-	(6,494)
Foreign exchange movement	4,191	-	-	4,191
As of December 31, 2021	$ 749,744	$ 7,086	$ 132,760	$ 889,590

Reconciliation of liabilities for the year ended December 31, 2019:

	Short-term loans	Leases liabilities	Long-term loans	Total liabilities from financing activities
As of January 1, 2020	$ 1,455,314	$ 13,380	$ 42,950	$ 1,511,644
Cash flows	(719,817)	(7,836)	61,155	(666,498)
Non-cash changes	-	16,514	-	16,514
Foreign exchange movement	5,594	-	-	5,594
As of December 31, 2020	$ 741,091	$ 22,058	$ 104,105	$ 867,254

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Company's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount	
	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost	$ 456,694	$ 461,393
Financial liabilities		
Long-term borrowings (including current portion)	132,760	104,105

	Fair value	
	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost	$ 456,694	$ 461,393
Financial liabilities		
Long-term borrowings (including current portion)	132,760	104,105

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Definition of fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Financial assets at fair value through profit or loss				
Preferred stocks	$ -	$ -	$ -	$ -

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Financial assets at fair value through profit or loss				
Preferred stocks	$ -	$ -	$ 264,274	$ 264,274

Transfer between Level 1 and Level 2 during the period

During the years ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

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

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

	Assets
	At fair value through profit or loss
	Preferred stocks
As of January 1, 2020	$ 245,915
Total profits and losses recognized for the year ended December 31 2020:	
Amount recognized in profit or loss(presented in "other profit or loss")	(2,921)
Acquire in 2020	21,280
As of December 31, 2020	$ 264,274

Total gains and losses recognized in profit or loss for the year 2021 and 2020 in the table above contain losses related to assets on hand are in the amount of NT$0 thousand and NT$2,921 thousand, respectively.

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

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

	As of December 31, 2021				
	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: At fair value through profit or loss Preferred stocks	Option Pricing model	Volatility	-	The higher the volatility, the lower the fair value.	1% increase (decrease) in volatility would result in an increase (decrease) in the Company's loss by NT$0 thousand.

	As of December 31, 2020				
	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: At fair value through profit or loss	Option	Volatility	15.39%	The higher the volatility, the lower the fair value.	1% increase (decrease) in volatility would result in an increase (decrease) in the Company's loss by NT$847 thousand.
Preferred stocks	Pricing model				

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Unit: thousands)

	As of December 31, 2021		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$ 36,013	27.68	$ 996,840
EUR	361	31.32	11,307
Non-monetary items:			
USD	8,716	27.68	241,268
MMK	947,898	0.0157	14,882
Financial liabilities			
Monetary items:			
USD	12,280	27.68	339,910
Non-monetary items:			
USD	6,728	27.68	186,240

(Unit: thousands)

	As of December 31, 2020		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$ 48,462	28.48	$ 1,380,198
EUR	361	35.02	12,642
Non-monetary items:			
USD	297,154	28.48	8,462,950
MMK	1,538,208	0.0212	32,610
Financial liabilities			
Monetary items:			
USD	9,409	28.48	267,968
Non-monetary items:			
USD	6,060	28.48	172,603

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

For the years ended December 31, 2021 and 2020, foreign exchange gain (loss) were NT$(28,854) thousand and NT$(52,702) 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.

(10) Roo Hsing Shanghai Import & Export Co., Ltd., a subsidiary of the Company, is unable to collect accounts receivable in an amount of RMB$28,402 thousand due from Suzhou Rui Bi De Trade Co., Ltd. ("Suzhou Rui Bi De") and claims of NT$47,467 thousand guaranteed by Wang, Jiong-Lie, the president of Suzhou Rui Bi De. The Company has applied for a ruling in Taiwan YunLin District Court with respect to one of the promissory notes guaranteed by Wang, Jiong-Lie. The amount of the promissory note was NT$18,960 thousand. The Company has acquired the court's final verdict. The Company will take similar actions for other promissory notes and hire local lawyers and asset management firms to protect the rights of the Company.

(11) Roo Hsing Shanghai Import & Export Co., Ltd. (Roo Hsing Shanghai), a subsidiary of the Company, filed a civil action against Nan Tong Si Bo Te Trading Co., Ltd. with respect to a dispute arising from a purchase agreement. The Shanghai Xuhui People's Court ruled that Roo Hsing Shanghai shall return payment for purchase to Nan Tong Si Bo Te Trading Co., Ltd. plus accrued interest. The Company was not satisfied with the judgment, so the Company lodged an appeal to the intermediate people's court in Shanghai on October 17, 2017. The intermediate people's court maintained the original judgment on March 14, 2018. The Company has recognized related liabilities of RMB$4,844 thousand as of March 31, 2019. The Company considered the dispute a business fraud and planned to report the case as a criminal case.

(12) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital by reviewing debt ratio periodically. The debt ratio is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 1,691,926	$ 1,542,923
Total assets	$ 9,618,235	$11,684,865
Debt ratio	18%	13%

13. ADDITIONAL DISCLOSURE

(1) Information at significant transactions

A. Financing provided to other: Please refer to Attachment 1.
B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
C. Securities held as of December 31, 2021 (excluding subsidiaries, associates and joint venture): None
D. Individual securities acquired or disposed of with accumulated amount exceeding the

lower of NT$300 million or 20 percent of the capital stock: None.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.

G. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 3.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 4.

I. Financial instruments and derivative transactions: None.

J. Others: Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions: Please refer to Attachment 5.

(2) Information on investees

Names, locations, main businesses, and total amount of paid-in capital, percentage of ownership, net income and investment income recognized of investees (excluding investment in Mainland China): Please refer to Attachment 6.

(3) Information on investments in mainland China

A. Names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, percentage of ownership, investment income recognized, carrying amount, accumulated inward remittance of earnings, and upper limit on investment of investees in Mainland China: Please refer to Attachment 7.

B. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1 and 2.

(4) Information of major stockholders, the name, the number of stocks owned, and percentage of ownership of each stockholder with ownership of 5% or greater: Please refer to Attachment 8.

Roo Hsing Co., Ltd. and Subsidiaries

Financing provided to others

For the year ended December 31, 2021

Attachment 1

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of financing provider	Name of counterparty	Account (Note 2)	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of financing activity (Note 2)	Amount of sales to (purchase from) counterparty	Reason for financing (Note 4)	Loss Allowance	Assets pledged		Limit of financing amount for individual counterparty (Note 5)	Limit of total financing amount (Note 5)	Note
													Item	Value			
0	Roo Hsing Co., Ltd.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Y	$ 8,304	$ 8,304	$ -	-	Note 4(2)	$ -	Operating	$ -	-	$ -	$ 2,774,208	$ 3,170,524	Note 7, 9
0	Roo Hsing Co., Ltd.	J.D. United Trading Co., Ltd.	Other receivables	Y	276,800	138,400	68,646	2.281%-2.297%	Note 4(2)	-	Operating	-	-	-	2,774,208	3,170,524	Note 7, 9
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	Other receivables	Y	401,876	250,896	250,896	-	Note 4(2)	-	Operating	-	-	-	2,774,208	3,170,524	Note 7, 9
0	Roo Hsing Co., Ltd.	JD United (BVI) Limited	Other receivables	Y	164,457	164,457	164,457	-	Note 4(2)	-	Operating	-	-	-	2,774,208	3,170,524	Note 7, 9
1	Roo Hsing Co. Nicaragua, S.A.	South Bay Manufacturing Company Limited	Other receivables	Y	5,536	5,536	5,536	2.2386%	Note 4(2)	-	Operating	-	-	-	-	-	Note 8, 9
2	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Y	30,448	16,608	16,608	2.2416%-2.388%	Note 4(2)	-	Operating	-	-	-	397,469	397,469	Note 8, 9
3	Operadora Internacional de Zonas Francas (Managua), S.A.	Roo Hsing Co. Nicaragua, S.A.	Other receivables	Y	5,536	5,536	5,536	2.2924%	Note 4(2)	-	Operating	-	-	-	416,792	416,792	Note 8, 9
4	Nanjing USA, Inc.	ADNY Group,Inc.	Other receivables	Y	265,728	-	-	-	Note 4(2)	-	Operating	-	-	-	173,588	173,588	Note 8, 9
5	J.D. United Manufacturing Co., Ltd	Rootech Pte. Limited	Other receivables	Y	69,200	41,520	41,467	8.01%	Note 4(2)	-	Operating	-	-	-	1,497,933	1,497,933	Note 8, 9
6	Tooku Holdings Limited	RH International Holdings Limited	Other receivables	Y	276,800	276,800	83,040	2.2216%-2.53%	Note 4(2)	-	Operating	-	-	-	2,580,547	2,580,547	Note 8, 9
7	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Dongteng International Trade Co., Ltd.	Other receivables	N	5,093	-	-	-	Note 4(1)	-	Operating	-	-	-	1,010	192,465	Note 8
8	GDM Enterprise Co., Ltd.	SL Garment Processing (Cambodia) Ltd.	Other receivables	N	62,076	54,880	54,880	-	Note 4(1)	-	Operating	-	-	-	-	-	Note 8

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

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items such as other receivables due from 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 the Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies, 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 limit approved by the Board of Directors, limit approved by the Board of Directors should still be stated. Even though capital is repaid, 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 amount of its subsidiary and the limit amount 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 lender and the counterparty for companies 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, and Tooku Holdings Limited the financing amount shall not exceed 10 times net worth of the lender, the rest shall not exceed 3 times if the Company has directly or indirectly hold 100% shares of its overseas subsidiaries.

Note 9: The above transactions were offset as consolidated financial statements were prepared.

Roo Hsing Co., Ltd. and Subsidiaries

Endorsement/Guarantee provided to others

For the year ended December 31, 2021

Attachment 2

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of endorsers	Endorsee: Name of endorsees	Endorsee: Relationship (Note 2)	Endorsement limit for a single entity	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Guarantee provided by Parent Company (Note 7)	Guarantee provided by a Subsidiary (Note 7)	Guarantee provided to Subsidiaries in Mainland China (Note 7)
0	Roo Hsing Co., Ltd. (Note 3)	MF Holding Co., Ltd.	2	$ 3,963,155	$ 1,089,208	$ 996,480	$ 866,938	3,771,316	11.87%	$ 15,852,618	Y	N	N
1	Changzhou Tooku Garments Co., Ltd. (Note 8)	Changzhou Guangzhou Manchuria Trading Co., Ltd.	4	-	447,020	434,000	212,486	-	-	-	N	N	Y
1	Changzhou Tooku Garments Co., Ltd. (Note 8)	Nanjing Xingao Trading Co., Ltd.	2	-	195,300	195,300	143,220	-	-	-	N	N	Y
2	J.D. United Manufacturing Limited (Notes 8 and 10)	Changzhou Tooku Garments Co., Ltd.	2	11,234,496	226,088	226,088	209,188	-	6.04%	11,234,496	N	N	Y
2	J.D. United Manufacturing Limited (Notes 8 and 10)	J.D. United Trading Co., Ltd.	2	11,234,496	3,742,336	3,520,896	2,466,039	-	94.02%	11,234,496	N	N	N
2	J.D. United Manufacturing Limited (Notes 8 and 10)	Shanghai Roo Sheng Textile Technology Development Co., Ltd.	4	11,234,496	16,058	16,058	16,058	-	0.43%	11,234,496	N	N	Y
3	Changzhou Guangzhou Manchuria Trading Co., Ltd. (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	4	4,811,625	2,388,519	1,909,383	1,096,253	-	396.83%	4,811,625	N	N	Y
4	JD United (BVI) Limited (Note 8 and 10)	J.D. United Manufacturing Limited	2	8,309,465	1,321,782	1,321,782	394,856	-	47.72%	8,309,465	N	N	N
4	JD United (BVI) Limited (Notes 8 and 10)	J.D. United Trading Corporation Limited	2	8,309,465	4,378,976	4,157,536	2,969,662	-	150.10%	8,309,465	N	N	N
5	Faith In Blue (USA) Corporation (Notes 9)	MF Holding Co.,Ltd.	3	1,718,424	1,089,208	996,480	866,938	1,640,817	86.98%	2,291,232	N	N	N
6	Henan Gowin Garments Corporation Limited (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	3	1,137,466	347,200	347,200	257,638	-	999.99%	1,137,466	N	N	Y
7	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd. (Note 8 and 11)	Changzhou Tooku Garments Co., Ltd.	4	-	347,200	347,200	257,638	-	-	-	N	N	Y
8	Tooku Holdings Limited (Note 8 and 9)	MF Holding Co.,Ltd.	4	14,193,009	996,480	996,480	866,938	190,791	386.15%	14,193,009	N	N	N
9	Ten Win Business International Co., Ltd (Note 8)	Roo Hsing Co., Ltd.	3	694,098	570,000	570,000	343,720	584,000	164.24%	694,098	N	Y	N
10	RH International Holdings Limited	MF Holding Co.,Ltd.	2	66,330,812	996,480	996,480	866,938	-	14.03%	66,330,812	N	N	N

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

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 50% net worth of the Company; the aggregate amount of endorsements/guarantees for any entity shall not exceed 50% net worth of the Company.

Note 4: The maximum endorsements/guarantees amount for the year.

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. and RH International Holdings Limited 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 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 Ten Win Business International 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 limit 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$996,480 thousand, and the actual amount drawn was NT$866,938 thousand.

Note 10:J.D. United Manufacturing Limited and JD United (BVI) Limited have shared limit for 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$3,520,896 thousand, and the actual amount drawn was NT$2,466,039 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 limit 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$347,200 thousand, and the actual amount drawn was NT$257,638 thousand.

Roo Hsing Co., Ltd.
Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock
For the year ended December 31, 2021

Attachment 3

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

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)	
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	The Company's subsidiary	Processing expenses	$ 242,163	100%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	$ 411,652	16%	
Roo Hsing Garment Co., Ltd.	Nagapeace Corporation Limited	The Company's subsidiary	Sales	(187,801)	39%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	81,914	3%	
Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	Affiliate with same parent company	Processing expenses	188,121	74%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(92,202)	4%	
Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(265,970)	55%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(156,333)	6%	
J.D. United Trading Corporation Limited	Nanjing USA, Inc.	Affiliate with same parent company	Sales	(929,554)	7%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	92,865	4%	
J.D. United Manufacturing Corporation Limited	T&K Garment Industry Co., Ltd.	Affiliate with same parent company	Sales	(154,797)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	83,040	3%	
J.D. United Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(2,914,320)	13%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(1,012,278)	42%	
T&K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(148,577)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	10,455,180	400%	
Splendid Chance International Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(161,433)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	57,424	2%	
JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(366,893)	2%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	124,837	5%	
Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(785,625)	3%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	-	0%	
Zheng Tai Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(232,851)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(350,145)	15%	
Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(4,305,859)	19%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	1,010,602	39%	
Morning Glory Garment Enterprise Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(144,932)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(820,037)	34%	

Roo Hsing Co., Ltd.
Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock
For the year ended December 31, 2021

Attachment 3

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

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)	
GDM Enterprise Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(102,823)	0%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(513,049)	21%	
Great Union Cambodia Garment Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Processing revenue	(179,927)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	76,829	3%	
Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(1,712,807)	7%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	1,012,278	39%	
Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	Sales	(1,969,329)	8%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	218,881	8%	
Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(135,612)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	697,064	27%	
Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd	Affiliate with same parent company	Sales	(236,509)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	399,753	15%	
Changzhou Tooku Garments Co., Ltd.	3Y Universal Company Limited	Affiliate with same parent company	Sales	(454,122)	2%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(58,508)	2%	
Changzhou Tooku Garments Co., Ltd.	Nanjing USA, Inc.	Affiliate with same parent company	Sales	(1,883,548)	14%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	184,319	7%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(143,471)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	183,462	7%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	Sales	(449,106)	2%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	354,310	14%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(2,444,701)	11%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	(218,881)	9%	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	Sales	(409,187)	2%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	445,251	17%	
Tooku Trading Corporation Limited	Nanjing USA, Inc.	Affiliate with same parent company	Service revenue	(203,900)	1%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	36,823	1%	
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	Sales	(2,682,082)	12%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	3,253,682	124%	

Roo Hsing Co., Ltd.

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock

For the year ended December 31, 2021

Attachment 3

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

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)	
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Limited	Affiliate with same parent company	Sales	(547,472)	2%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	988,378	38%	
Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	Sales	(722,975)	3%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	10,464	0%	
Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	Sales	(1,183,833)	5%	Net 90 days. Cash payments are base on financial condition of the Company and capital need of the subsidiary.	Agreed based on necessary cost of subsidiary	N/A	607,723	23%	

Note 1: If the transaction conditions of the related parties are different from the general transaction conditions, the circumstances and reasons for the difference shall be stated in the column of unit price and credit period.

Note 2: If there is an advance receipt (payment) situation, the reason, contract terms, amount and the difference from the general transaction type shall be stated in the remarks column.

Note 3: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% equity attributable to the owner of the parent company on the balance sheet.

Note 4: The above transactions of subsidiaries were eliminated as consolidated financial statements were prepared.

Roo Hsing Co., Ltd.

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

December 31, 2021

Attachment 4

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Company recognizing receivables	Counterparty	Relationship	Ending balance of receivables	Turnover rate	Overdue receivables		Amount received in subsequent period	Loss allowance
					Amount	Collection status		
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	The Company's subsidiary	$411,652	-	$-	-	$-	$-
Roo Hsing Co., Ltd.	J.D. United Trading Corporation Limited	The Company's subsidiary	109,026	-	-	-	-	-
Roo Hsing Co., Ltd.	JD United (BVI) Limited	The Company's subsidiary	164,457	-	-	-	-	-
Nagapeace Corporation Limited	Hung Hsing Garment (Cambodia) Co., Ltd.	Affiliate with same parent company	156,334	-	-	-	-	-
Tooku Trading Company Limited	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	737,253	-	-	-	-	-
J.D. United Trading Corporation Limited	South Bay Manufacturing Company Limited	Affiliate with same parent company	108,325	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	1,012,278	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	697,064	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	J.D. United Manufacturing Limited	Affiliate with same parent company	276,120	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	399,753	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	218,881	-	-	-	-	-
Changzhou Tooku Garments Co., Ltd.	Nanjing USA, Inc.	Affiliate with same parent company	184,319	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	354,310	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	445,251	-	-	-	-	-
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd	Affiliate with same parent company	183,462	-	-	-	-	-
Morning Glory Garment Enterprise Co., Ltd.	JD & Toyoshima Co., Ltd.	Affiliate with same parent company	109,264	-	-	-	-	-
Morning Glory Garment Enterprise Co., Ltd.	JD United (BVI) Limited	Affiliate with same parent company	333,946	-	-	-	-	-
Morning Glory Garment Enterprise Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	Affiliate with same parent company	164,788	-	-	-	-	-
T & K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	10,455,180	-	-	-	-	-
T & K Garment Industry Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	164,311	-	-	-	-	-
T & K Garment Industry Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	Affiliate with same parent company	196,528	-	-	-	-	-
Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	Affiliate with same parent company	1,010,602	-	-	-	-	-
Nagapeace Corporation Limited	GDM Enterprise Co., Ltd.	Affiliate with same parent company	513,049	-	-	-	-	-
Nagapeace Corporation Limited	Zheng Tai Garment (Cambodia) Co., Ltd.	Affiliate with same parent company	350,145	-	-	-	-	-
Nagapeace Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	Affiliate with same parent company	820,037	-	-	-	-	-
Nagapeace Corporation Limited	JD & Toyoshima Co., Ltd.	Affiliate with same parent company	5,080,122	-	-	-	-	-
Nagapeace Corporation Limited	Tooku Trading Company Limited	Affiliate with same parent company	608,047	-	-	-	-	-
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Limited	Affiliate with same parent company	988,378	-	-	-	-	-
Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	Affiliate with same parent company	3,253,682	-	-	-	-	-
JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	Affiliate with same parent company	124,837	-	-	-	-	-
Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Affiliate with same parent company	607,723	-	-	-	-	-

Note 1: The above transactions of subsidiaries were eliminated as consolidated financial statements were prepared.

Roo Hsing Co., Ltd.

Significant intercompany transactions between consolidated entities

For the year ended December 31, 2021

Attachment 5

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note1)	Company Name	Counterparty Name	Relationship (Note 2)	Transaction Detail Account	Amount	Term	As a percentage of consolidated assets or revenues (Note 3)
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	1	Other receivables	$ 411,652	-	2%
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	1	Processing expenses	242,163	Agreed based on product types	1%
0	Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	1	Other operating revenue	6,644	Agreed based on product types	0%
0	Roo Hsing Co., Ltd.	J.D. United Trading Corporation Limited	1	Other receivables	84,071		0%
0	Roo Hsing Co., Ltd.	J.D. United Trading Corporation Limited	1	Accounts receivable	23,973	-	0%
0	Roo Hsing Co., Ltd.	J.D. United Trading Corporation Limited	1	Other payables	10,465	-	0%
0	Roo Hsing Co., Ltd.	J.D. United Trading Corporation Limited	1	Service expense	9,921	-	0%
0	Roo Hsing Co., Ltd.	Nagapeace Corporation Limited	1	Other receivables	26,780	-	0%
0	Roo Hsing Co., Ltd.	Nagapeace Corporation Limited	1	Accounts payables	35,169	-	0%
0	Roo Hsing Co., Ltd.	Nagapeace Corporation Limited	1	Other operating revenue	19,712	-	0%
0	Roo Hsing Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	1	Other receivables	32,007	-	0%
0	Roo Hsing Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	1	Other operating revenue	17,645	-	0%
0	Roo Hsing Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	1	Other receivables	11,309	-	0%
0	Roo Hsing Co., Ltd.	JD United (BVI) Limited	1	Other receivables	164,457	-	1%
0	Roo Hsing Co., Ltd.	Ten Win Business International Co., Ltd.	1	Other interest revenue	13,907	-	0%
0	Roo Hsing Co., Ltd.	Fain Tei Enterprise Company Ltd.(BVI)	1	Prepayment for purchases	47,848	-	0%
0	Roo Hsing Co., Ltd.	Fain Tei Enterprise Company Ltd.(BVI)	1	Other payables	15,000	-	0%
0	Roo Hsing Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	1	Other receivables	44,882	-	0%
0	Roo Hsing Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	1	Other operating revenue	25,222	-	0%
1	Nanjing USA, Inc.	J.D. United Trading Corporation Limited	3	Accounts payables	92,865	-	0%
1	Nanjing USA, Inc.	Changzhou Tooku Garments Co., Ltd.	3	Accounts payables	184,319	-	1%
1	Nanjing USA, Inc.	TOOKU HOLDINGS LINTED	3	Accounts payables	36,823		0%
1	Nanjing USA, Inc.	J.D. United Trading Corporation Limited	3	Cost of good sold	929,554	-	6%
1	Nanjing USA, Inc.	Changzhou Tooku Garments Co., Ltd.	3	Cost of good sold	1,883,548	-	11%
1	Nanjing USA, Inc.	TOOKU HOLDINGS LINTED	3	Cost of good sold	203,900	-	1%
2	Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	3	Accounts receivable	51,140	-	0%
2	Roo Hsing Garment Co., Ltd.	Chen Tai Co., Ltd.	3	Prepayment for purchases	7,304	-	0%
2	Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	3	Accounts payables	92,202	-	0%
2	Roo Hsing Garment Co., Ltd.	Hung Hsing Garment (Cambodia) Co., Ltd.	3	Manufacturing-Processing expenses	188,121	-	1%
2	Roo Hsing Garment Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	81,914	-	0%
2	Roo Hsing Garment Co., Ltd.	Nagapeace Corporation Limited	3	Sales	189,336	Agreed based on product types	1%
3	Roo Hsing Co. Nicaragua, S.A.	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	3	Other payables	24,531	-	0%
3	Roo Hsing Co. Nicaragua, S.A.	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	3	Sales	13,681	Agreed based on product types	0%
3	Roo Hsing Co. Nicaragua, S.A.	South Bay Manufacturing Company Limited	3	Other receivables	6,421	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	S.H. United Co., Ltd.	3	Other receivables	58,981	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	J.D. United Trading Corporation Limited	3	Accounts payables	23,983	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	J.D. United Trading Corporation Limited	3	Other payables	11,857	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	J.D. United Manufacturing Corporation Limited	2	Other payables	18,765	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Other payables	15,260	-	0%
4	Roo Hsing Garment Manufacturing Company Limited	J.D. United Trading Corporation Limited	3	Processing revenue	98,740	Agreed based on product types	1%
5	S.H. United Co., Ltd.	J.D. United Trading Corporation Limited	3	Advances sales receipts	62,374	-	0%
5	S.H. United Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Other payables	18,017	-	0%

Roo Hsing Co., Ltd.

Significant intercompany transactions between consolidated entities

For the year ended December 31, 2021

Attachment 5

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note1)	Company Name	Counterparty Name	Relationship (Note 2)	Transaction Detail: Account	Amount	Term	As a percentage of consolidated assets or revenues (Note 3)
5	S.H. United Co., Ltd.	South Bay Manufacturing Company Limited	3	Other payables	12,021	-	0%
5	S.H. United Co., Ltd.	3Y Universal Company Limited	3	Accounts receivable	9,177	-	0%
5	S.H. United Co., Ltd.	3Y Universal Company Limited	3	Processing revenue	57,124	Agreed based on product types	0%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Other payables	143,805	-	1%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Accounts payables	12,528	-	0%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Accounts payables	49,348	-	0%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Manufacturing-other manufacturing expenses	13,442	-	0%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	265,970	Agreed based on product types	2%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Great Union (Cambodia) Garment Co., Ltd.	3	Manufacturing-other manufacturing expenses	10,247	Agreed based on product types	0%
6	Hung Hsing Garment (Cambodia) Co., Ltd.	Fain Tei Enterprise Company Ltd.(BVI)	3	Other advances	57,846	-	0%
7	Roo Hsing Shanghai Import & Export Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Other payables	12,149	-	0%
8	Tooku Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	3	Other receivables	737,253	-	4%
8	Tooku Trading Corporation Limited	T & K Garment Industry Co., Ltd.	3	Other payables	50,087	-	0%
8	Tooku Trading Corporation Limited	Tanzania Tooku Garments Co., Ltd.	3	Other payables	60,909	-	0%
8	Tooku Trading Corporation Limited	Nagapeace Corporation Limited	3	Other payables	608,047	-	3%
9	J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co., Ltd.	1	Sales	154,797	Agreed based on product types	1%
9	J.D. United Manufacturing Corporation Limited	T & K Garment Industry Co., Ltd.	1	Accounts receivable	83,040	-	0%
9	J.D. United Manufacturing Corporation Limited	Rootech Pte. Limited	3	Other receivables	41,481	-	0%
10	J.D. United Trading Corporation Limited	Changzhou Tooku Garments Co., Ltd.	3	Sales	2,914,320	Agreed based on product types	18%
10	J.D. United Trading Corporation Limited	3Y Universal Company Limited	3	Sales	6,722	Agreed based on product types	0%
10	J.D. United Trading Corporation Limited	Splendid Chance International Ltd.	3	Accounts receivable	23,528	-	0%
10	J.D. United Trading Corporation Limited	JD United (BVI) Limited	3	Accounts receivable	17,756	-	0%
10	J.D. United Trading Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	3	Accounts receivable	12,456	-	0%
10	J.D. United Trading Corporation Limited	Rootech Pte. Limited	3	Other receivables	18,927	-	0%
10	J.D. United Trading Corporation Limited	South Bay Manufacturing Company Limited	3	Accounts receivable	108,325	-	1%
11	T & K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	148,577	Agreed based on product types	1%
11	T & K Garment Industry Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	10,455,180	-	55%
11	T & K Garment Industry Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Accounts receivable	196,528	-	1%
11	T & K Garment Industry Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	164,311	-	1%
12	Morning Glory Garment Enterprise Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	144,932	Agreed based on product types	1%
12	Morning Glory Garment Enterprise Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	164,788	-	1%
12	Morning Glory Garment Enterprise Co., Ltd.	JD United (BVI) Limited	3	Accounts receivable	333,946	-	2%
12	Morning Glory Garment Enterprise Co., Ltd.	JD & Toyoshima Co., Ltd.	3	Accounts receivable	109,264	-	1%
12	Morning Glory Garment Enterprise Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Accounts receivable	19,376	-	0%
13	Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	1,712,807	Agreed based on product types	10%
13	Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Sales	1,969,329	Agreed based on product types	12%
13	Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	3	Sales	135,612	Agreed based on product types	1%
13	Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Sales	236,509	Agreed based on product types	1%
13	Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Sales	93,251	Agreed based on product types	1%
13	Changzhou Tooku Garments Co., Ltd.	3Y Universal Company Limited	3	Sales	454,122	Agreed based on product types	3%
13	Changzhou Tooku Garments Co., Ltd.	J.D. United Manufacturing Corporation Limited	3	Accounts receivable	276,120	-	1%

Roo Hsing Co., Ltd.

Significant intercompany transactions between consolidated entities

For the year ended December 31, 2021

Attachment 5

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note1)	Company Name	Counterparty Name	Relationship (Note 2)	Transaction Detail: Account	Amount	Term	As a percentage of consolidated assets or revenues (Note 3)
13	Changzhou Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	1,012,278	-	5%
13	Changzhou Tooku Garments Co., Ltd.	Henan Gowin Garments Corporation Limited	3	Accounts receivable	23,613	-	0%
13	Changzhou Tooku Garments Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Accounts receivable	399,753	-	2%
13	Changzhou Tooku Garments Co., Ltd.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Accounts receivable	218,881	-	1%
13	Changzhou Tooku Garments Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	697,064	-	4%
13	Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Accounts receivable	76,210	-	0%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Sales	143,471	Agreed based on product types	1%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Sales	410,198	Agreed based on product types	2%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	J.D. United Manufacturing Corporation Limited	3	Sales	18,607	Agreed based on product types	0%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	17,657	Agreed based on product types	0%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	3	Sales	449,106	Agreed based on product types	3%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Changzhou Tooku Garments Co., Ltd.	3	Sales	2,444,701	Agreed based on product types	15%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	28,057	-	0%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Paneffort (Cambodia) Garment Co., Ltd.	3	Accounts receivable	445,251	-	2%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	GDM Trading Company Limited	3	Accounts receivable	56,972	-	0%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	354,310	-	2%
14	Changzhou Guangzhou Manchuria Trading Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	3	Accounts receivable	183,462	-	1%
15	Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	3	Sales	4,305,859	Agreed based on product types	26%
15	Nagapeace Corporation Limited	J.D. United Trading Corporation Limited	3	Accounts receivable	1,010,602	-	5%
15	Nagapeace Corporation Limited	J.M. Bag & Case Manufacturing Corporation Limited	3	Accounts receivable	6,366	-	0%
15	Nagapeace Corporation Limited	GDM Enterprise Co., Ltd.	3	Accounts receivable	513,049	-	3%
15	Nagapeace Corporation Limited	Zheng Tai Garment (Cambodia) Co., Ltd.	3	Accounts receivable	350,145	-	2%
15	Nagapeace Corporation Limited	Splendid Chance International Ltd.	3	Accounts receivable	57,424	-	0%
15	Nagapeace Corporation Limited	Great Union Cambodia Garment Co., Ltd.	3	Accounts receivable	76,829	-	0%
15	Nagapeace Corporation Limited	JD & Toyoshima Co., Ltd.	3	Accounts receivable	5,080,122	-	27%
15	Nagapeace Corporation Limited	J.M. Bag&Case (Combodia) Co., Ltd.	3	Accounts receivable	32,306	-	0%
15	Nagapeace Corporation Limited	Tanzania Tooku Garments Co., Ltd.	3	Accounts receivable	15,961	-	0%
15	Nagapeace Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	3	Accounts receivable	820,037	-	4%
16	GDM Enterprise Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	102,823	Agreed based on product types	1%
17	Splendid Chance International Ltd.	Nagapeace Corporation Limited	3	Processing revenue	161,433	Agreed based on product types	1%
18	Great Union Cambodia Garment Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	179,927	Agreed based on product types	1%
19	JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	366,893	Agreed based on product types	2%
19	JD & Toyoshima Co., Ltd.	Nagapeace Corporation Limited	2	Accounts receivable	124,837	-	1%
20	Tanzania Tooku Garments Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	785,625	Agreed based on product types	5%
21	Zheng Tai Garment (Cambodia) Co., Ltd.	Nagapeace Corporation Limited	3	Processing revenue	232,851	Agreed based on product types	1%
22	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co.,	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Processing revenue	13,057	-	0%
22	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co.,	Changzhou Tooku Garments Co., Ltd.	3	Processing revenue	43,454	Agreed based on product types	0%
22	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co.,	Changzhou Guangzhou Manchuria Trading Co., Ltd.	3	Accounts receivable	16,316	-	0%
23	3Y Universal Company Limited	Changzhou Tooku Garments Co., Ltd.	3	Accounts receivable	58,508		0%
24	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	3	Sales	2,682,082	Agreed based on product types	16%
24	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Sales	547,472	Agreed based on product types	3%
24	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Manufacturing Corporation Limited	2	Accounts receivable	988,378	-	5%

Roo Hsing Co., Ltd.

Significant intercompany transactions between consolidated entities

For the year ended December 31, 2021

Attachment 5

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note1)	Company Name	Counterparty Name	Relationship (Note 2)	Transaction Detail Account	Amount	Term	As a percentage of consolidated assets or revenues (Note 3)
24	Paneffort (Cambodia) Garment Co., Ltd.	J.D. United Trading Corporation Limited	3	Accounts receivable	3,253,682	-	17%
24	Paneffort (Cambodia) Garment Co., Ltd.	GDM Enterprise Co., Ltd.	3	Accounts receivable	8,375	-	0%
24	Paneffort (Cambodia) Garment Co., Ltd.	T & K Garment Industry Co., Ltd.	3	Accounts receivable	24,935	-	0%
24	Paneffort (Cambodia) Garment Co., Ltd.	Nagapeace Corporation Limited	3	Accounts receivable	81,102	-	0%
25	JD United (BVI) Limited	Changzhou Tooku Garments Co., Ltd.	1	Accounts receivable	34,372	-	0%
26	Nanjing Xing'ao Trading Co.	Nagapeace Corporation Limited	2	Sales	18,243	-	0%
26	Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	2	Sales	722,975	-	4%
26	Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	2	Sales	1,183,833	-	7%
26	Nanjing Xing'ao Trading Co.	Changzhou Tooku Garments Co., Ltd.	2	Accounts receivable	10,464	-	0%
26	Nanjing Xing'ao Trading Co.	Changzhou Guangzhou Manchuria Trading Co., Ltd.	2	Accounts receivable	607,723	-	3%
27	RH International Holdings Limited	J.D. United Trading Corporation Limited	2	Other payables	83,040		1%

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:

(1) 0 is for the parent company.

(2) Each subsidiary is numbered from 1.

Note 2: The relationship between related parties are as follows:

(1) Parent company and subsidiary.

(2) Subsidiary and Parent company.

(3) Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a percentage of total assets or total revenues. Percentages of assets or liabilities accounts are calculated as ending balance divided by consolidated assets, and percentages of profit or loss accounts are calculated as accumulated amount for the year divided by consolidated revenues.

Note 4: The above transactions of subsidiaries were eliminated as consolidated financial statements were prepared.

Roo Hsing Co., Ltd.

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

For the year ended December 31, 2021

Attachment 6

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investor Company	Investee Company (Note 1 and 2)	Location	Main business and products	Original investment amount		Investment as of December 31, 2021			Net income (loss) of investee (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
Roo Hsing Co., Ltd.	Roo Hsing Garment Co., Ltd.	Cambodia	Garment processing	$622,475	$622,475	-	100.00	$(186,187)	$(18,632)	$(18,632)	
	Roo Hsing Co. Nicaragua, S.A.	Nicaragua	Garment processing	362,950	362,950	8,600	100.00	(1,489)	(7,415)	(7,415)	
	Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	El Salvador	Garment processing	600,981	600,981	999,600	100.00	132,490	(3,315)	(3,315)	
	Operadora Internacional de Zonas Francas (Managua), S.A. 8,9,42,45,47,49,58,61,63,65	Nicaragua	Plant and property Leasing	182,264	182,264	56,730	100.00	138,931	(15,698)	(15,698)	
	Fain Tei Enterprise Company Ltd.(BVI)	British Virgin Islands	Investment holding	491,420	491,420	16,336,843	100.00	(176,063)	(148,921)	(148,921)	
	Ten Win Business International Co., Ltd.	Taiwan	Real estate development and leasing for funeral service	607,592	241,973	17,290,238	89.58	546,611	(20,755)	(16,394)	
	Roo Hsing Garment Manufacturing Co., Ltd.	Myanmar	Garment processing	128,495	128,495	41,216	100.00	14,882	(10,212)	(10,212)	
	Intelligence Textile Technology Co., Ltd.	Taiwan	Wholesale of Electronic Materials	18,000	17,000	1,800,000	100.00	869	(1,156)	(1,156)	
	RH Global Investment Limited	British Virgin Islands	Investment holding	-	-	-	100.00	-	-	-	
	RH International Holdings Limited	British Virgin Islands	Investment holding	8,036,038	-	49,894	100.00	6,633,081	(1,190,335)	(1,190,335)	
	Xynergy Semiconductor Corporation Limited	Hong Kong	Wholesale of Electronic Materials	283	-	10,000	100.00	848	578	578	
RH International Holdings Limited	JD United (Cayman) Limited	Cayman Islands	Investment holding	-	-	-	1.13	-	-	-	
	MF Holding Co., Ltd	Cayman Islands	Investment holding	621,010	608,842	381,738	100.00	285,661	(89,345)	(89,345)	Note 6
	JD United (BVI) Limited	British Virgin Islands	Investment holding	7,290,262	9,558,486	1	100.00	6,608,834	(899,184)	(1,127,840)	Note 4、Note 6
	Tooku Holdings Limited	British Virgin Islands	Investment holding	208,042	48,299	1,866,140	100.00	292,832	189,725	189,725	Note 6
Ten Win Business International Co., Ltd	Tien Le Shan Business Co., Ltd.	Taiwan	Investment holding	3,000	-	300,000	100.00	255	(2,745)	(2,745)	
Roo Hsing Garment Co., Ltd.	Chen Tai Co., Ltd.	Cambodia	Garment washing	20,312	20,312	-	100.00	(5,216)	(7,616)	(7,616)	
Fain Tei Enterprise Company Ltd.(BVI)	Hung Hsing Garment (Cambodia) Co., Ltd.	Cambodia	Garment processing	181,805	181,805	-	100.00	(106,166)	(83,865)	(83,865)	
	S.H. United Co., Ltd.	Myanmar	Garment processing	151,302	151,302	41,249	100.00	(66,442)	(63,206)	(63,206)	
JD United (BVI) Limited	JD United (Cayman) Limited	Cayman Islands	Investment holding	-	-	-	98.87	-	-	-	
JD United (Cayman) Limited	J.D. United Manufacturing Corporation Limited	Hong Kong	Investment holding and garment trading	975,010	1,065,889	-	100.00	3,744,832	(899,184)	(899,184)	
	3Y Universal Company Limited	Hong Kong	Garment processing	199,047	85,312	-	51.00	224,126	11,529	4,035	

Roo Hsing Co., Ltd.
Names, locations and related information of investee companies (Not including investment in Mainland China)
For the year ended December 31, 2021

Attachment 6

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investor Company	Investee Company (Note 1 and 2)	Location	Main business and products	Original investment amount		Investment as of December 31, 2021			Net income (loss) of investee (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
Tooku Holdings Limited	Tooku Trading Corporation Limited	Hong Kong	Garment trading	17,849	-	-	100.00	28,823	(401)	(401)	
	Rootech Pte. Limited	Singapore	Investment holding	49,402	50,530	-	70.00	36,641	(19,535)	(13,675)	
J.D. United Manufacturing Corporation Limited	J.D. United Trading Corporation Limited	Hong Kong	Garment trading	111	121	-	100.00	22,914	(4,167)	(4,167)	
	OCT Holding Company Limited	Hong Kong	Investment holding	-	-	-	100.00	(1,036,518)	(417,518)	(417,518)	
	Nishiku Manufacturing Corporation Limited	Hong Kong	Investment holding	-	-	-	100.00	(214,476)	(65,851)	(65,851)	
	J.M. Bag & Case Manufacturing Corporation Limited	Hong Kong	Investment holding and Bag&Case trading	13,840	15,130	-	100.00	(28,022)	(4,449)	(4,449)	
	GDM Enterprise Co., Ltd.	Cambodia	Garment processing	27,680	30,260	-	100.00	(194,122)	(14,353)	(14,353)	
	Nishiku Enterprise Co., Ltd.	Cambodia	Garment processing	-	-	-	100.00	-	-	-	
	Morning Glory Garment Enterprise Co., Ltd.	Cambodia	Garment processing	-	-	-	100.00	1,233,997	(22,412)	(22,412)	
	JD & Toyoshima Co., Ltd.	Cambodia	Garment processing	70,584	77,163	-	100.00	264,408	(30,235)	(30,235)	
	Gowin Success Limited	British Virgin Islands	Investment holding	-	-	-	100.00	2,416,992	(115,163)	(115,163)	
	Paneffort (Cambodia) Garment Co., Ltd.	Cambodia	Garment processing	37,922	39,867	-	100.00	296,290	54,121	54,121	
	Paneffort, LLC	US	General business	10,795	-	-	39.00	10,795	-	-	
OCT Holding Company Limited	GDM Trading Company Limited	Hong Kong	Investment holding	$27,680	$30,260	-	100.00	$(1,036,518)	$(417,518)	$(417,518)	
Nishiku Manufacturing Corporation Limited	Southbay Manufacturing Co., Ltd.	Myanmar	Garment processing	2,076	2,270	-	100.00	(211,651)	(65,949)	(65,949)	
J.M. Bag & Case Manufacturing Corporation Limited	J.M. Bag & Case (Cambodia) Co., Ltd.	Cambodia	Bag&Case processing	3,875	4,236	-	100.00	(28,136)	(1)	(1)	
Gowin Success Limited	J.D. United Manufacturing Pte. Limited	Singapore	Investment holding	-	-	-	100.00	817,697	(83,273)	(83,273)	
	Suntex Textile Trading Corporation Limited	Hong Kong	Textile trading	-	-	-	100.00	(519)	(12)	(12)	
	True Power Garment Corporation Ltd.	Cambodia	Garment processing	-	-	-	100.00	(21,607)	(10,236)	(10,236)	
	Gowin Garments Corporation Limited	Hong Kong	Investment holding	-	-	-	100.00	1,621,422	(21,642)	(21,642)	
J.D. United Manufacturing Pte. Limited	Zhentai Garment (Cambodia) Co., Ltd.	Cambodia	Garment processing	27,680	30,260	-	100.00	(206,763)	(34,951)	(34,951)	
	T&K Garment Industry Co., Ltd.	Cambodia	Garment processing	24,268	26,531	-	100.00	1,091,655	(17,607)	(17,607)	
	Splendid Chance International Ltd.	Cambodia	Garment processing	13,840	15,130	-	100.00	(28,136)	(18,874)	(18,874)	
	Great Union (Cambodia) Garment Co., Ltd.	Cambodia	Garment processing	18,822	20,577	-	100.00	(3,681)	(11,602)	(11,602)	

Roo Hsing Co., Ltd.

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

For the year ended December 31, 2021

Attachment 6

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investor Company	Investee Company (Note 1 and 2)	Location	Main business and products	Original investment amount		Investment as of December 31, 2021			Net income (loss) of investee (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
Gowin Garments Corporation Limited	Nagapeace Corporation Limited	Cambodia	Garment processing	-	-	-	100.00	1,621,422	(21,642)	(21,642)	
Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Tanzania	Garment processing	340,636	349,806	-	99.97	(185,518)	19,457	19,451	
J.D. United Trading Co., Ltd.	Century Hsing Investment Co.,Ltd.	Myanmar	Investment holding	27,763	30,070	-	100.00	27,763	-	-	
	JDU Tokyo Trading Co., Ltd.	Japan	International trading	778	276	-	100.00	247	(264)	(264)	
3Y Universal Company Limited	3Y Corporation Limited	Japan	Trading	3	-	-	100.00	(9)	-	-	
MF Holding Co., Ltd.	Faith In Blue (USA) Corporation	US	Investment holding	1,724,228	1,492,433	4,805,000	100.00	1,145,616	(52,977)	(52,977)	
Faith In Blue (USA) Corporation	Nanjing USA, Inc.	US	Fashion garment wholesaler and distributor	1,738,143	1,506,348	91	81.65	1,144,953	29,654	(52,143)	Note 4、Note 5
Nanjing USA, Inc.	ADNY Apparel, Inc.	US	Fashion garment wholesaler and distributor	-	-	-	100.00	(3,522)	(17)	(17)	

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 "Ending balance of investment" columns. The relationship between the investee and the Company should be filled in the "Note" column.

(2) The net income for the year of each investee should be filled in the "Net income (loss) of investee" 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" column. The investment income (loss) recognized should include investment income (loss) recognized by the investee.

Note 3: The initial investment of subsidiaries of J.D. United (BVI) Limited and Tooku Holdings Limited is the initial investment before Roo Hsing acquired them.

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

Net income for year 2021	$ (899,184)
Adjustment for difference between acquisition consideration allocation related fair value and net assets acquired	(228,656)
Investment income (loss) recognized	$ (1,127,840)

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

Net income for year 2021 Nanjing USA, Inc.	$ 10,007
Adjustment for difference between acquisition consideration allocation related fair value and net assets acquired	(62,150)
Investment income (loss) recognized	$ (52,143)

Note 5: The initial investment amounts of ADNY Group, Inc and Nanjing USA, Inc. at the end of the last year were 1,207,884 thousand and 298,464 thousand, respectively, and Nanjing USA, Inc. had merged with ADNY Group, Inc.

Note 6: The initial investment amount at the end of the last year was of MF Holding Co., Ltd., J.D. United (BVI) Limited and Tooku Holdings Limited. The Company, for value received in MF Holding Co., Ltd., J.D. United (BVI) Limited and Tooku Holdings Limited, does hereby transfer to RH International Holdings Limited.

Note 7: The above investments were offset as consolidated financial statements were prepared.

Roo Hsing Co., Ltd.

Investment in Mainland China

For the year ended December 31, 2021

Attachment 7

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2021	Accumulated inward remittance of earnings as of December 31, 2021	Note
					Outflow	Inflow							
Roo Hsing Shanghai Import & Export Co., Ltd.	Garment trading	$117,976 (USD3,900 thousand)	Cash Note 1	$117,976 (USD3,900 thousand)	$-	$-	$117,976 (USD3,900 thousand)	$(1,433)	100%	$(1,433)	$(32,157)	$-	
Changzhou Tooku Garments Co., Ltd.	Garment manufacturing and processing	907,808 (USD30,000 thousand)	Cash Note 5	-	-	-	-	(417,518)	100%	(417,518)	(306,673)	-	
Bai Cheng Shi Mei Da Garment Co., Ltd.	Garment manufacturing and processing	67,932 (RMB14,930 thousand)	Cash Note 3	-	-	-	-	(33,779)	100%	(33,779)	(99,447)	-	
Changzhou Guangzhou Manchuria Trading Co., Ltd.	Textile trading	453,900 (USD15,000 thousand)	Cash Note 2	-	-	-	-	(46,856)	100%	(46,856)	481,162	-	
Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd	Garment manufacturing and processing	60,520 (USD2,000 thousand)	Cash Note 2	-	-	-	-	(8,428)	100%	(8,428)	(205,932)	-	
Tooku Jan Garments Co., Ltd.	Garment manufacturing and processing	30,260 (USD1,000 thousand)	Cash Note 2	-	-	-	-	(64)	100%	(64)	6,795	-	
Henan Gowin Garment Corporation Limited	Garment manufacturing and processing	9,291 (USD336 thousand)	Cash Note 2	-	-	-	-	(231)	100%	(231)	9,100	-	
Jiansu Xiu Jia Yu Yang Real Estate Development Limited	Real Estate Development	(Note 5)	Cash Note 3	-	-	-	-	(2,854)	50.20%	(1,433)	(962)	-	
Nanjing Roo-Hsing International Trading Co., Ltd.	Garment trading	(Note 5)	Cash Note 4	-	-	-	-	-	100%	-	-	-	
Nanjing Xingao Trading Co., Ltd.	International trading	21,767 (RMB5,000 thousand)	Cash Note 3	-	-	-	-	3,013	100%	3,013	20,458	-	
Shanghai Roo Sheng Textile Technology Development Co., Ltd.	International trading	8,775 (USD308 thousand)	Cash Note 6	-	-	-	-	(554)	100%	(554)	8,393	-	

Accumulated investment in Mainland China as of December 31, 2021	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
$117,976 (USD3,900 thousand)	$123,018 (USD3,900 thousand)	Unlimited (Note 8)

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 initial investment of subsidiaries of J.D. United (BVI) Limited and Tooku Holdings Limited is the original investment before Roo Hsing acquired them.

Note 8: The company meets the requirements of Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China. The investment amount is unlimited.

Roo Hsing Co., Ltd.

Information of major stockholders

December 31, 2021

Attachment 8 Unit : Share

Shares / Shareholders	Total Shares Owned	Ownership Percentage
National Development Fund, Executive Yuan	80,000,000	9.75%
Farglory Life Insurance Inc.	75,815,004	9.24%
Heng Shing Li Feng Co., Ltd	71,171,483	8.67%
HNY investment Co., Ltd.	66,502,221	8.10%
CTBC Bank Co., Ltd. is entrusted with the custody of JDU Opportunities Co., Ltd.	56,258,000	6.86%

Note 1: This table presents information provided by the Taiwan Depository & Clearing Corporation on stockholders holding greater than 5% of the Company dematerialized securities that have completed the process of registration and delivery by book-entry transfer as of the last business day for the current quarter. The stocks reported in the Roo Hsing’s consolidated financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.

Note 2: If the information in the above table belongs to the shareholder who transfers the shares to the trust, it will be disclosed by the trustee who opened the trust account separately. As for the shareholders' handling of insider shareholding declarations with more than 10% of the shares held in accordance with the Securities Exchange Act, their shareholdings include their own shares plus their delivery to the trust and have the right to exercise trust in the trust property, Please refer to the Market Observation Post System for information on insider equity declaration.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ROO HSING CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description			Amount		Note
Cash on hand - USD	USD	19 thousand	Exchange rate 1:27.68	$	531	
Cash on hand - NTD					2,500	
Petty cash					50	
Bank savings						
Demand deposits - NTD					14,836	
Demand deposits - Foreign currency	USD	3,185 thousand	Exchange rate 1:27.68		88,153	
Check deposit - NTD					973	
Total				$	107,043	

ROO HSING CO., LTD.

STATEMENT OF CURRENT FINANCIAL ASSETS AT AMORTIZED COST

December 31, 2021

(In Thousands of New Taiwan Dollars)

Type of securities	Description	Ending balance	Note
Demand deposits restricted for use	EnTie Commercial Bank, Ltd	$ 100,153	
	Taiwan Cooperative Bank Co., Ltd.	20,062	
	Hua Nan Commercial Bank, Ltd.	9,901	
	Land Bank of Taiwan	9,006	
	Taiwan Business Bank Co., Ltd.	30,009	
	Chang Hwa Commercial Bank, Ltd.	7,500	
	Taiwan Business Bank Co., Ltd. USD 426 thousand	11,792	
	Taichung Commercial Bank Co., Ltd. USD 292 thousand	8,079	
Subtotal		196,502	
Time deposits	EnTie Commercial Bank, Ltd. USD 9,400 thousand	260,192	Interest rate 0.34%
Total		$ 456,694	

ROO HSING CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
Account receivables - third parties				
Customer A		$	16,339	
Less: loss allowance			-	
Net amount		$	16,339	

ROO HSING CO., LTD.
STATEMENT OF OTHER RECEIVABLES
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other receivables - third parties			
Interest receivable		$ 157	
Others		204,628	
Subtotal		204,785	
Less: allowance		(202,810)	
Net amount		1,975	
Other receivables - related parties			
Roo Hsing Garment Co., Ltd.		411,652	
J.D. United Trading Corporation Limited		182,627	
JD United (BVI) Limited		164,457	
Others		118,536	The amount of individual item in others does not exceed 5% of the account balance.
Subtotal		877,272	
Total		$ 879,247	

ROO HSING CO., LTD.
STATEMENT OF INVENTORIES
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net realizable value	
Raw materials and supplies in transit		$ 47,618	$ 47,618	Please refer to the Parent Company Only Financial Statements Note 4 (10) for the details of the decision of net realizable value.
Current work in process		144,049	209,124	
Current finished goods		24,374	32,512	
Merchandise		12,270	18,258	
Subtotal		228,311	$ 307,512	
Less: Allowance for inventory valuation losses		(43,057)		
Net amount		$ 185,254		

ROO HSING CO., LTD.
STATEMENT OF PREPAYMENTS
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayment to suppliers		$ 47,848	
Overpaid sales tax		8,997	
Others		10,407	The amount of individual item in others does not exceed 5% of the account balance.
Total		$ 67,252	

ROO HSING CO., LTD.
STATEMENT OF OTHER CURRENT ASSETS
December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Temporary payments		$ 566	
Payment on behalf of others	Payment of computer software introduction fee on behalf of related parties	306	
Total		$ 872	

ROO HSING CO., LTD.

STATEMENT OF NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Beginning balance		Addition		Decrease		Ending balance		Collateral	Note
	Shares (in thousands)	Fair value	Shares (in thousands)	amount	Shares (in thousands)	amount	Shares (in thousands)	Fair value		
Ten Win Business International Co., Ltd. - Preferred stocks	24,028	$ 264,274	-	$ -	24,028	$ 264,274	-	$ -	None	

ROO HSING CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

For the year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

	Beginning balance (After adjustment)		Addition		Disposal							Ending balance			Fair value / Net assets value			
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Change in equity	Organizational restructuring adjustment	Investment Income (loss)	Exchange differences arising on translation of foreign operations	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Shares (in thousands)	Shares holding percentage (%)	Amount	Unit price (NTD)	Total amount	Collateral	Note
Roo Hsing Garment Co., Ltd.	-	$ (172,603)	-	$ -	-	$ -	$ -	$ -	$ (18,632)	$ 5,048	$ -	-	100%	$ (186,187)	-	$ (186,187)	Y	
Roo Hsing Co. Nicaragua, S.A.	8,600	6,015	-	-	-	-	-	-	(7,415)	(89)	-	8,600	100%	(1,489)	-0.17	(1,489)	N	
Roo Hsing Garment Co., El Salvador, S.A. DE C.V.	999,600	139,693	-	-	-	-	-	-	(3,315)	(3,888)	-	999,600	100%	132,490	0.13	132,490	N	
Operadora Internacional de Zonas Francas (Managua), S.A.	56,730	158,924	-	-	-	-	-	-	(15,698)	(4,295)	-	56,730	100%	138,931	2.45	138,931	N	
Fain Tei Enterprise Company Ltd.(BVI)	16,336,843	(38,033)	-	-	-	-	-	-	(148,921)	10,891	-	16,336,843	100%	(176,063)	-0.01	(176,063)	N	
Roo Hsing Garment Manufacturing Co., Ltd.	41,216	32,610	-	-	-	-	-	-	(10,212)	(7,516)	-	41,216	100%	14,882	0.36	14,882	N	
Tooku Holdings Limited`	1,836,140	106,143	30,000	834	1,866,140	-	-	(208,043)	104,051	(2,985)	-	-	-	-	-	-		Note1
JD United (BVI) Limited	1	9,866,931	-	-	1	-	-	(9,393,773)	(435,327)	(37,831)	-	-	-	-	-	-		Note1
Ten Win Business International Co., Ltd.	7,278,572	260,357	10,011,666	365,620	-	-	(62,972)	-	(16,394)	-	-	17,290,238	89.58%	546,611	0.03	546,611	N	
Intelligence Silicon Technology Co., Ltd.	1,700,000	1,025	100,000	1,000	-	-	-	-	(1,156)	-	-	1,800,000	100%	869	-	869	N	
MF Holding Co., Ltd	251,875	319,756	67,613	153,071	319,488	-	-	(482,446)	18,080	(8,461)	-	-	-	-	-	-		Note2
RH International Holdings Limited	-	-	49,894	55,289	-	-	(226,562)	7,980,750	(1,190,335)	(13,939)	-	49,894	100%	6,633,081	132.94	6,633,081	N	Note1,2
Xynergy Semiconductor Corporation Limited	-	-	10,000	283	-	-	-	-	578	(13)	-	10,000	100%	848	0.08	848	N	Note2
Subtotal		10,680,818		576,097		-	(289,534)	(2,103,512)	(1,724,696)	(35,200)	-			7,103,973		$ 7,103,973		
Less: accumulated impairment		(2,134,512)		-		-	-	2,103,512	-	-	-			(31,000)				
Total		$ 8,546,306		$ 576,097		$ -	$ (289,534)	$ -	$ (1,724,696)	$ (35,200)	$ -			$ 7,072,973				

	Beginning balance	Ending balance
Assets - Investments accounted for using equity method	$ 8,756,942	$ 7,467,712
Liabilities - Credit balance of investments accounted for using equity method	(210,636)	(363,739)
Total	$ 8,546,306	$ 7,103,973

Note1: The Company's Board of Directors approved on September 15, 2021, to conduct organizational restructuring for the purpose of investment efficiency. The company's subsidiary, RH International Holdings Limited, directly hold JD United (BVI) Limited. As of December 31, 2021, the company's subsidiary, RH International Holdings Limited, directly hold Tooku Holdings Limited and JD United (BVI) Limited.

Note2: The Company 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, 2021, the amount of capital was US$22,254 thousand (approximately NT$621,010 thousand).

ROO HSING CO., LTD.

STATEMENT OF RIGHT-OF-USE ASSET

For the year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Beginning balance	Additions	Dispose	Ending balance	Note
Cost					
Buildings and structures	$ 28,397	$ -	$ (13,041)	$ 15,356	The details of the depreciation
Transportation equipment	8,254	3,953	-	12,207	expense are as follows :
Office and other equipment	293	-	-	293	Administrative
Total cost	36,944	3,953	(13,041)	27,856	expenses $ 8,525
Accumulated depreciation					
Buildings and structures	(8,947)	(6,071)	2,698	(12,320)	
Transportation equipment	(5,932)	(2,407)	-	(8,339)	
Office and other equipment	(192)	(47)	-	(239)	
Total accumulated depreciation	(15,071)	(8,525)	2,698	(20,898)	
Carrying amount	$ 21,873	$ (4,572)	$ (10,343)	$ 6,958	

ROO HSING CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Interest rate	Loan commitment	Collateral	Note
Unsecured bank loans	Taiwan Business Bank Co., Ltd.	$ 100,000	110/09/17-111/03/17	1.80%	$100,000	None	
	Chang Hwa Bank Ltd.	40,000	110/09/24-111/03/24	1.98%	40,000	None	
	Taiwan Cooperative Bank Co., Ltd.	100,000	110/01/14-111/01/14	2.30%	100,000	None	
Subtotal		240,000					
Secured bank loans	EnTie Commercial Bank, Ltd.	300,000	110/08/16-111/01/13	1.83%	300,000	Pledged property, plant and equipment	
Subtotal		300,000					
Letter of credit	Taiwan Business Bank Co., Ltd.	34,575	110/09/17-111/03/17	1.40~1.60%	USD 1,445 thousand	None	
	Taichung Commercial Bank Co., Ltd.	23,714	109/08/20-110/08/20	2.53~2.55%	USD 857 thousand	None	
	Taiwan Cooperative Bank Co., Ltd.	65,285	109/12/25-110/12/25	1.15~1.30%	USD 3,613 thousand	None	
	Chang Hwa Bank Ltd.	29,191	110/01/31-111/01/31	1.74~1.95%	USD 1,264 thousand	None	
	Hua Nan Commercial Bank, Ltd.	33,330	110/08/27-111/02/27	1.21~1.25%	USD 1,282 thousand	None	
	Land Bank of Taiwan	23,649	109/09/16-110/12/02	1.31~1.51%	USD 854 thousand	None	
Subtotal		209,744					
Total		$ 749,744					

ROO HSING CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
December 31, 2021
(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Accounts payable - third parties			
Vendor A		$ 4,262	
Vendor B		3,916	
Vendor C		2,556	
Others		3,212	The amount of individual vendor in others does not exceed 5% of the account balance.
Subtotal		13,946	
Accounts payable- related parties			
Nagapeace Corporation Limited		35,236	
J.D. United Trading Corporation Limited		4,180	
Changzhou Guangzhou Manchuria Trading Co., Ltd		321	
Subtotal		39,737	
Total		$ 53,683	

ROO HSING CO., LTD.
STATEMENT OF OTHER PAYABLES
December 31, 2021
(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Accounts payable - third parties			
Payables on equipment		$ 10,590	
Service fees payable		18,052	
Salary and wages payable		13,388	
Repairs and maintenance payable		3,821	
Estimated expense payable		9,414	
Other		20,560	The amount of individual vendor In others doesn’t exceed 5% of the account balance.
Subtotal		75,825	
Accounts payable - related parties			
JD United (BVI) Limited		12,375	
Fain Tei Enterprise Company Ltd.(BVI)		15,000	
Changzhou Manchuria Trading Co., Ltd.		175	
Subtotal		27,550	
Total		$ 103,375	

ROO HSING CO., LTD.

STATEMENT OF LEASE LIABILITIES

December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Lease period	Interest rate	Ending balance	Note
Buildings and structures	Office lease company	2~5 years	2.02%	$ 3,128	
Transportation equipment	Rental car office	1~5 years	2.02%~2.66%	3,903	
Office and other equipment	Equipment lease	1~5 years	1.53%	55	
Total				7,086	
Less: current portion				(5,307)	
Lease liability- non-current				$ 1,779	

ROO HSING CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS

December 31, 2021

(In Thousands of New Taiwan Dollars)

Lendor	Description	Amount	Contract period	Interest rate	Collateral	Note
Chang Hwa Bank Ltd.		$ 10,705	109/07/16-112/07/16	2.00%	Credit Guarantee Fund	
Taiwan Business Bank Co., Ltd.		30,138	109/06/30-112/06/20	1%~1.84%	Credit Guarantee Fund	
Taiwan Cooperative Bank Co., Ltd.		38,362	109/11/13-112/11/13	1.84%	Credit Guarantee Fund	
Taiwan Cooperative Bank Co., Ltd.		3,835	109/11/18-112/11/18	1.00%	Credit Guarantee Fund	
Taiwan Cooperative Bank Co., Ltd.		6,000	109/12/09-112/12/09	1.50%	Credit Guarantee Fund	
Chailease Specialty Finance Co., Ltd.		43,720	110/03/10-112/03/10	2.75%	Refundable deposits 15%, Pledged land	
Subtotal		132,760				
Less: current portion		(86,562)				
Total		$ 46,198				

ROO HSING CO., LTD.
STATEMENT OF OPERATING REVENUE
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Unit	Amount	Note
Sales revenue			
Pants	3,525 thousand pieces	$ 649,060	
Others		8,041	The amount of individual item in others does not exceed 5% of the account balance.
Other operating revenue		67,938	
Subtotal		725,039	
Less: Sales returns			
Sales discounts		(2)	
Net operating revenue		$ 725,037	

ROO HSING CO., LTD.
STATEMENT OF OPERATING COSTS
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Inventories, beginning balance		$ 14,475	
Less: inventories(merchandise), ending balance		(12,270)	
Cost of merchandise sold		2,205	
Raw materials and supplies, beginning balance		36,900	
Add: purchase		323,381	
Less: raw materials and supplies, ending balance		(47,618)	
Raw materials and supplies used		312,663	
Outsourcing costs		242,163	
Production overheads		83,706	
Manufacturing cost		638,532	
Work in process, beginning balance		111,205	
Add: purchase		-	
Less: work in process, ending balance		(144,049)	
		605,688	
Cost of goods manufactured		-	
Add: finished goods, beginning balance		37.030	
Add: purchase		2,702	
Less: finished goods, ending balance		(24,374)	
Less: transfer to expenses		(413)	
Cost of goods sold		620,633	
Subtotal		622,838	
Add: allowance for inventory valuation and obsolescence loss		28,578	
Total		$ 651,416	

ROO HSING CO., LTD.
STATEMENT OF PRODUCTION OVERHEADS
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Processing charge		$ 242,163	
Consumables		50,967	
Others		32,739	The amount of individual item in others does not exceed 5% of the account balance.
Total		$ 325,869	

ROO HSING CO., LTD.
STATEMENT OF SELLING EXPENSES
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Export and import charges		$ 14,287	
Service fees		9,787	
Salaries expenses		4,588	
Others expenses		5,370	The amount of individual item in others does not exceed 5% of the account balance.
Total		$ 34,032	

ROO HSING CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
For the year ended December 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries expenses (including consulting fees)		$ 61,666	
Depreciation expenses		72,627	
Service fees		32,788	
Others expenses		37,183	The amount of individual item in others does not exceed 5% of the account balance.
Total		$ 204,264	

ROO HSING CO., LTD.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES

For the year ended December 31, 2021

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries expenses		$ 5,354	
Insurance expenses		509	
Others expenses		880	The amount of individual item in others does not exceed 5% of the account balance.
Total		$ 6,743	