Stock code: 4414

ROO HSING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

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Roo Hsing Co., Ltd. and Subsidiaries

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REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2021 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of combined financial statements than the Consolidated Financial Statements.

Very truly yours,

Roo Hsing Co., Ltd.

Chairman: Chang, Shui-Jiang

March 29, 2022

INDEPENDENT AUDITORS' REPORT

Roo Hsing Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Roo Hsing Co., Ltd. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated 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 and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Consolidated 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. Based on our audits and the reports of other auditors, 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 consolidated financial statements. These matters were addressed in the context of our audit of the restated consolidated 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$16,489,263 thousand in 2021. Operating revenues from top ten customers represented 94% of consolidated 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. 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 with material amounts 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 and 6 to the consolidated 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. 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 Company as of December 31, 2021, respectively. The Company tested related cash generating units for impairment according to the International Financial Reporting Standards. Since the fair value of the cash-generating units can't be reliably measured, the Company measures the recoverable amount at value in use. The recoverable amount was lower than the carrying amount and the impairment loss of NT$475,884 thousand was recorded. 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 comparing 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 consolidated subsidiaries, whose statements reflect total assets of NT$10,901,620 thousand and NT$12,139,091 thousand, constituting 56% and 56% of consolidated total assets as of December 31, 2021 and 2020, and total operating revenues of NT$10,584,770 thousand and NT$11,583,042 thousand, constituting 64% and 68% of consolidated operating revenues for the years ended December 31, 2021 and 2020, respectively. 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 audit reports of the other auditors.

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$10,795 thousand and NT$91,869 thousand, representing 0% and 0% of consolidated total assets as of December 31, 2021 and 2020, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$1,533 thousand and NT$11,228 thousand, representing 0% and 11% of the consolidated net profit (loss) before tax for the years ended December 31, 2021 and 2020, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$1,533 thousand and NT$11,228 thousand, representing 0% and 4% of the consolidated other comprehensive income for the years ended December 31, 2021 and 2020, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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 Group. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of Roo Hsing Co., Ltd. as of and for the years ended December 31, 2021.

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. and Subsidiaries
CONSOLIDATED 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(7), 6(1)	$ 1,020,796	5	$ 653,880	3
Financial assets measured at amortized cost - current	Note 4(8), 5(2), 6(2)	736,943	4	733,267	3
Notes Receivable	Note 4(8)	217	-	44	-
Accounts receivable, net	Note 4(8), 6(3), 8	2,616,879	14	3,994,836	18
Accounts receivable due from related parties, net	Note 4(8), 6(3), 7(4)	-	-	47,595	-
Other receivables	Note 5(2), 6(4)	662,385	3	1,011,645	5
Other receivables due from related parties	Note 5(2), 6(4), 7(5)	41,247	-	220,128	1
Current tax assets	Note 4(26), 5(2), 6(23)	118	-	1,282	-
Inventories	Note 4(10), 5(2), 6(5)	4,212,114	22	3,976,196	19
Prepayments	6(6), 7(6)	754,697	4	959,272	4
Other current assets		927	-	4,170	-
Total current assets		10,046,323	52	11,602,315	53
NON-CURRENT ASSETS					
Investments accounted for using equity method	Note 4(12), 6(7)	10,795	-	91,869	-
Property, plant and equipment	Note 4(13), 6(8), 7(10),7(11), 8	3,612,069	19	3,875,760	18
Right-of-use assets	Note 4(15), 6(19), 8	512,523	3	627,236	3
Intangible assets	Note 4(16), 6(9)	4,793,277	25	5,475,470	25
Deferred tax assets	Note 4(26), 5(2), 6(23)	2,430	-	3,229	-
Prepayments for business facilities	Note 8	4,604	-	17,929	-
Refundable deposits	Note 8	144,357	1	143,133	1
Other non-current assets	Note 4(17)	2,164	-	2,761	-
Total non-current assets		9,082,219	48	10,237,387	47
Total		$ 19,128,542	100	$ 21,839,702	100

		December 31, 2021		December 31, 2020	
LIABILITIES AND EQUITY		Amount	%	Amount	%
CURRENT LIABILITIES					
Short-term loans	Note 6(11)	$ 5,730,137	30	$ 6,282,800	29
Contract liabilities - current	Note 6(17)	37,048	-	24,342	-
Notes payable		246,219	1	265,439	1
Accounts payable		2,164,397	11	2,209,133	10
Accounts payable to related parties	Note 7(7)	-	-	235,035	1
Other payables		545,402	4	751,560	4
Other payables to related parties	Note 7(9)	97,375	1	-	-
Income tax payable	Note 4(26)、5(2)、6(23)	78,579	-	83,499	-
Provisions - current	Note 4(19)、6(12)	23,818	-	35,131	-
Lease liabilities - current	Note 4(15)、6(19)	96,328	1	133,578	1
Other current liabilities		9,264	-	-	-
Long-term loans - current portion	Note 4(8)、6(13)	410,263	2	3,994	-
Preferred stock liabilities - current	Note 6(14)	30,271	-	177,845	1
Total current liabilities		9,469,101	50	10,202,356	47
NON-CURRENT LIABILITIES					
Long-term loans	Note 4(8)、6(13)	537,708	3	126,457	1
Deferred tax liabilities	Note 4(26)、5(2)、6(23)	258,614	1	304,435	1
Lease liabilities - non-current	Note 4(15)、6(19)	319,645	2	366,265	2
Long-term notes payable		19,246	-	6,520	-
Preferred stock liabilities - non-current	Note 6(14)	-	-	29,372	-
Net defined benefit liabilities - non-current	Note 4(24)、6(15)	1,357	-	1,873	-
Guarantee deposit received		3,266	-	1,298	-
Other non-current liabilities		-	-	7,370	-
Total non-current liabilities		1,139,836	6	843,590	4
Total liabilities		10,608,937	56	11,045,946	51
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT	Note 6(16)				
Capital stock					
Ordinary share		8,189,149	43	8,200,469	38
Capital surplus					
Capital surplus, additional paid-in capital arising from ordinary share		1,913,073	10	1,915,717	9
Capital surplus, additional paid-in capital arising from bond conversion		435,961	2	435,961	2
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	12	2,437,183	11
Retained earnings					
Appropriated as legal capital reserve		-	-	-	-
Accumulated deficits		(2,469,999)	(13)	(329,351)	(2)
Total retained earnings		(2,469,999)	(13)	(329,351)	(2)
Other equity		(187,902)	(1)	(152,702)	(1)
Treasury Shares	Note 4(20)	-	-	(13,657)	-
Equity attributable to shareholders of the parent		7,926,309	41	10,141,942	46
Non-controlling interests	Note 6(16)	593,296	3	651,814	3
Total equity		8,519,605	44	10,793,756	49
Total		$ 19,128,542	100	$ 21,839,702	100

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

Roo Hsing Co., Ltd. and Subsidiaries

CONSOLIDATED 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(21), 6(17), 7	$ 16,487,250	100	$ 17,077,832	100
COST OF REVENUE	Note 6, 7	(14,291,492)	(87)	(14,044,682)	(82)
GROSS PROFIT		2,195,758	(3,594)	3,033,150	18
OPERATING EXPENSES	Note 5, 6				
Selling and marketing		(1,365,736)	(8)	(1,242,003)	(7)
General and administrative		(1,589,877)	(10)	(1,551,053)	(10)
Research and development		(7,871)	-	(10,371)	-
Expected credit loss	Note 6(18)	(391,180)	(2)	(7,367)	-
Total operating expenses		(3,354,664)	(20)	(2,810,794)	(17)
INCOME (LOSS) FROM OPERATIONS		(1,158,906)	(3,614)	222,356	1
NON-OPERATING INCOME AND EXPENSES	Note 4, 6(21), 7				
Other income		159,341	1	216,177	1
Other gains and losses		(668,763)	(4)	(247,716)	(1)
Finance costs		(272,787)	(2)	(304,373)	(2)
Share of profit (loss) of associates and joint ventures accounted for using equity method		1,533	-	11,228	-
Total non-operating income and expenses		(780,676)	(5)	(324,684)	(2)
INCOME BEFORE INCOME TAX		(1,939,582)	(3,619)	(102,328)	(1)
INCOME TAX	Note 4(26), 5(2), 6(23)	29,561	-	(10,507)	-
NET LOSS		(1,910,021)	(3,619)	(112,835)	(1)
OTHER COMPREHENSIVE INCOME (LOSS)	Note 4, 6(22)				
Components of other comprehensive income that will not be reclassified to profit or loss					
Remeasurements of defined benefit obligation		(323)	-	(2,308)	-
Income tax related 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		(48,275)	(1)	(203,926)	(1)
Other comprehensive income (loss) for the year , net of income tax		(48,533)	(1)	(205,772)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$ (1,958,554)	(3,620)	$ (318,607)	(2)
NET LOSS ATTRIBUTABLE TO:					
Shareholders of the parent		$ (1,891,502)	(11)	$ (129,653)	(1)
Non-controlling interests		(18,519)	-	16,818	-
		$ (1,910,021)	(11)	$ (112,835)	(1)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the parent		$ (1,926,960)	(13)	$ (301,548)	(2)
Non-controlling interests		(31,594)	-	(17,059)	-
		$ (1,958,554)	(13)	$ (318,607)	(2)
EARNINGS PER SHARE	Note 4(25), 6(24)				
Basic earnings per share		$	(2.31)	$	(0.16)
Diluted earnings per share		$	(2.31)	$	(0.16)

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

Roo Hsing Co., Ltd. and Subsidiaries
CONSOLIDATED 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 Attributable to Shareholders of the Parent	Non-Controlling Interests	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	$ 935,427	$ 11,496,423
Increase capital from subsidiaries and others	-	28,843	-	-	-	-	28,843	59,713	88,556
Changes in ownership interests in subsidiaries	-	(2,533)	-	(141,526)	-	-	(144,059)	(326,267)	(470,326)
Purchase of treasury share	-	-	-	-	-	(45,058)	(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	-	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)	16,818	(112,835)
Other comprehensive income for the year ended December 31, 2020	-	-	-	(1,846)	(170,049)	-	(171,895)	(33,877)	(205,772)
BALANCE, DECEMBER 31, 2020	$ 8,200,469	$ 2,437,183	$ -	$ (329,351)	$ (152,702)	$ (13,657)	$ 10,141,942	$ 651,814	$ 10,793,756
BALANCE, JANUARY 1, 2021	$ 8,200,469	$ 2,437,183	$ -	$ (329,351)	$ (152,702)	$ (13,657)	$ 10,141,942	$ 651,814	$ 10,793,756
Increase capital from subsidiaries and others	-	-	-	-	-	-	-	333	333
Changes in ownership interests in subsidiaries	-	(40,965)	-	(248,888)	-	-	(289,853)	(88,594)	(378,447)
Cancellation of treasury share	(11,320)	(2,337)	-	-	-	13,657	-	-	-
Changes in non-controlling interests (From business combinations)	-	-	-	-	-	-	-	61,337	61,337
Enforcement of disgorgement	-	1,180	-	-	-	-	1,180	-	1,180
Net income for the year ended December 31, 2021	-	-	-	(1,891,502)	-	-	(1,891,502)	(18,519)	(1,910,021)
Other comprehensive income for the year ended December 31, 2021	-	-	-	(258)	(35,200)	-	(35,458)	(13,075)	(48,533)
BALANCE, DECEMBER 31, 2021	$ 8,189,149	$ 2,395,061	$ -	$ (2,469,999)	$ (187,902)	$ -	$ 7,926,309	$ 593,296	$ 8,519,605

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

Roo Hsing Co., Ltd. and Subsidiaries
CONSOLIDATED 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	$ (1,939,582)	$ (102,328)
Adjustments for:		(3,607)
Depreciation expense	626,894	654,480
Amortization expense	329,494	338,705
Expected credit Loss	391,180	7,367
Net loss on financial assets at fair value through profit or loss	-	(8,065)
Finance costs	272,787	304,373
Interest income	(4,049)	(13,646)
Share of loss (gain) of associates and joint ventures accounted for using equity method	(1,533)	(11,228)
Loss (gain) on disposal of property, plant and equipment, net	3,372	(9,419)
Gain on disposal of investments	(9,964)	-
Impairment of non-financial assets	482,913	-
Gain on lease modification	(1,416)	(639)
Provisions for employee benefits	65	(2,308)
Other income	-	(26,062)
Changes in operating assets and liabilities:		
(Increase)decrease in notes receivable	(173)	(44)
(Increase)decrease in accounts receivable	1,058,611	(1,556,224)
(Increase)decrease in accounts receivable due from related parties	47,595	(22,624)
(Increase)decrease in other accounts receivable	354,314	420,476
(Increase)decrease in other receivables due from related parties	178,881	(130,780)
(Increase)decrease in inventories	(186,088)	151,462
(Increase)decrease in prepayments	211,494	594,252
(Increase)decrease in other current assets	3,319	(3,899)
Increase(decrease) in contract liabilities	(831)	19,486
Increase(decrease) in notes payable	(19,220)	106,792
Increase(decrease) in accounts payable	(68,531)	446,966
Increase(decrease) in other accounts payable	(235,035)	(132,363)
Increase(decrease) in other accounts payable to related parties	(268,655)	(2,350)
Increase(decrease) in other current liabilities	18,807	(26,445)
Increase(decrease) in net defined benefit liabilities	(839)	(2,489)
Cash generated (used in) from operations	1,329,872	963,484
Interest received	5,125	47,343
Interest paid	(277,957)	(345,837)
Income taxes paid	(19,217)	(14,791)
Net cash generated (used in) by operating activities	1,037,823	650,199

(Continued)

Roo Hsing Co., Ltd. and Subsidiaries

CONSOLIDATED 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	$ -	$ 118,719
Payments for financial assets at fair value through profit or loss	-	(3,607)
Payments for financial assets measured at amortized cost	(237,392)	(1,070,341)
Proceeds form repayments of financial assets measured at amortized cost	228,607	1,644,594
Payments for investment accounted for using equity method	(10,795)	-
Payments for property, plant and equipment	(329,953)	(541,956)
Proceeds from disposal of property, plant and equipment	31,132	132,469
(Increase) decrease in refundable deposits	(1,224)	43,441
Payments for intangible assets	(949)	(4,637)
(Increase) decrease in prepayments for business facilities	18,933	(45,554)
(Increase) decrease in other non-current assets	597	1
Net cash generated (used in) from investing activities	(301,044)	273,129
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	19,755,993	17,890,772
Decrease in short-term loans	(20,189,745)	(18,501,743)
Proceeds from long-term loans	986,674	127,907
Repayment of long-term loans	(337,381)	(126,286)
Increase (decrease) in guarantee deposits received	1,968	(37)
Increase (decrease) in long-term notes payable	12,726	6,520
Repayment of the principal portion of lease liabilities	(149,330)	(189,379)
Employees exercising share option	-	42,768
Purchase of treasury share	-	(45,058)
Increase (decrease) in other non-current liabilities	(7,370)	(1,995)
Acquisition of equity in subsidiaries	(403,463)	(470,326)
Changes in non-controlling interests	(333)	-
Other financing activities	1,180	-
Net cash generated (used in) financing activities	(329,081)	(1,266,857)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(40,782)	(144,996)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	366,916	(488,525)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	653,880	1,142,405
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,020,796	$ 653,880

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

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

ROO HSING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year 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 23 November 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 16 December 1999, and then listed on the Taiwan Stock Exchange on 6 September 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 20 June 2008. The change was registered on 30 July 2008.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated 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) Application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations of IFRS ("IFRIC"), and Interpretations of IAS ("SIC") (collectively, the "IFRSs") endorsed and issued into effect by the ROC Financial Supervisory Commission ("FSC").

The application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC for application starting from 2022

New, Revised or Amended Standards and Interpretations	Effective Date Issued 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)

Note 1: 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.

Note 2: 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.

Note 3: 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.

Note 4: 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
IFRS 17"Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
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 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of The Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of Preparation

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

(3) Basis of consolidation

Preparation principle for the consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

A. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
B. Exposure, or rights, to variable returns from its involvement with the investee, and
C. The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. The contractual arrangement with the other vote holders of the investee;
B. Rights arising from other contractual arrangements;
C. The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-company balances, income and expenses, unrealized gains and losses and dividends resulting from intra- company transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.
Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

A. Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. Derecognizes the carrying amount of any non-controlling interest;
C. Recognizes the fair value of the consideration received;
D. Recognizes the fair value of any investment retained;
E. Recognizes any surplus or deficit in profit or loss; and
F. Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

<u>The consolidated entities are listed as follows:</u>

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2021	December 31, 2020	Note
The Company	Roo Hsing Garment Co., Ltd.	Garment processing	100.00%	100.00%	
The Company	Roo Hsing Co. Nicaragua, S.A.	Garment processing	100.00%	100.00%	23
The Company	Roo Hsing Garment Co., El Salvador, S.A. DEC.V.	Garment processing	100.00%	100.00%	23
The Company	Operadora Internacional de Zonas Francas (Managua), S.A.	Leasing plant and property	100.00%	100.00%	23
The Company	Fain Tei Enterprise Company Ltd.(BVI)	Investment holding	100.00%	100.00%	1
The Company	JD United (BVI) Limited	Investment holding	-	100.00%	13
The Company	Tooku Holdings Limited	Investment holding	-	100.00%	
The Company	Roo Hsing Garment Manufacturing Co., Ltd.	Garment processing	100.00%	100.00%	4
The Company	Intelligence Silicon Technology Co., Ltd.	Electronic materials wholesale	100.00%	100.00%	6
The Company	MF Holding Co., Ltd.	Investment holding	-	100.00%	8
The Company	Ten Win Business International Co., Ltd	International trade, Funeral Home development, rental and sales, Renovation, or maintenance within the renewal area	89.58%	78.35%	9
The Company	RH Global Investment Limited	Investment holding	100.00%	100.00%	12
The Company	RH International Holdings Limited	Investment holding	100.00%	100.00%	13
The Company	Xynergy Semiconductor Corporation Limited	Electronic materials wholesale	100.00%	100.00%	18
RH International Holdings	JD United (Cayman) Limited	Investment holding	1.13%	100.00%	13 and 19

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2021	December 31, 2020	Note
Limited					
RH International Holdings Limited	MF Holding Co., Ltd.	Investment holding	100.00%	-	8
RH International Holdings Limited	JD United (BVI) Limited	Investment holding	100.00%	-	13
RH International Holdings Limited	Tooku Holding Limited	Investment holding	100.00%	-	13
Roo Hsing Garment Co., Ltd.	Chen Tai Co., Ltd.	Garment processing and washing	100.00%	100.00%	
Fain Tei Enterprise Company Ltd.(BVI)	Roo Hsing Shanghai Import & Export Co., Ltd.	Garment trading	100.00%	100.00%	
Fain Tei Enterprise Company Ltd.(BVI)	Hung Hsing Garment (Cambodia) Co., Ltd.	Garment processing	100.00%	100.00%	2
Fain Tei Enterprise Company Ltd.(BVI)	S.H. United Co., Ltd.	Garment processing	100.00%	100.00%	3
JD United (BVI) Limited	J.D. United Manufacturing Corporation Limited	Investment holding and garment trading	-	100.00%	24
JD United (BVI) Limited	JD United (Cayman) Limited	Investment holding	98.87%	-	13 and 19
JD United (Cayman) Limited	J.D. United Manufacturing Corporation Limited	Investment holding and garment trading	100%	-	24
JD United (Cayman) Limited	3Y Universal Company Limited	Garment processing	51.00%	-	20 and 24
Tooku Holdings Limited	Tooku Trading Corporation Limited	Garment trading	100.00%	100.00%	
Tooku Holdings Limited	Rootech Pte. Limited	Investment holding	70.00%	70.00%	16
Rootech Pte. Limited	Shanghai Roo Sheng Textile Technology Development Co., Ltd.	International trading	100.00%	100.00%	17
J.D. United Manufacturing Corporation Limited	Changzhou Manchuria Trading Co., Ltd.	Textile trading	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	OCT Holding Company Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Nishiku Manufacturing Corporation Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	J.M. Bag & Case Manufacturing Corporation Limited	Investment holding and bag trading	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Tooku Jan Garments Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	J.D. United Trading Corporation Limited	Garment trading	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	GDM Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Nishiku Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Morning Glory Garment Enterprise Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	JD & Toyoshima Co., Ltd.	Garment processing	100.00%	100.00%	
J.D. United Manufacturing Corporation Limited	Gowin Success Limited	Investment holding	100.00%	100.00%	
J.D. United Manufacturing	Paneffort (Cambodia) Garment Co.,	Garment processing	100.00%	100.00%	

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2021	Percentage of ownership (%) December 31, 2020	Note
Corporation Limited	Ltd.				
J.D. United Manufacturing Corporation Limited	Paneffort, LLC.	Merchandising	39%	-	25
J.D. United Trading Corporation Limited	Century Hsing Investment Co.,Ltd	Investment	100.00%	100.00%	11
J.D. United Trading Corporation Limited	JDU Tokyo Trading Co., Ltd.	International Trading	100.00%	100.00%	15
3Y Universal Company Limited	3Y Corporation Limited	Trading	100.00%	-	21
OCT Holding Company Limited	GDM Trading Company Limited	Investment holding	100.00%	100.00%	
Nishiku Manufacturing Corporation Limited	South Bay Manufacturing Company Limited	Garment processing	100.00%	100.00%	
J.M. Bag & Case Manufacturing Corporation Limited	J.M. Bag & Case (Cambodia) Co., Ltd.	Manufacturing	100.00%	100.00%	
Gowin Success Limited	JD United Manufacturing Pte. Limited (Singapore)	Investment holding	100.00%	100.00%	
Gowin Success Limited	Suntex Textile Trading Corporation Limited	Textile trading	100.00%	100.00%	
Gowin Success Limited	True Power Garment Corporation Ltd.	Garment processing	100.00%	100.00%	
Gowin Success Limited	Gowin Garments Corporation Limited	Investment holding	100.00%	100.00%	
GDM Trading Company Limited	Changzhou Tooku Garments Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Zhen Tai Garment (Cambodia) Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	T & K Garment Industry Co., Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Splendid Chance International Ltd.	Garment processing	100.00%	100.00%	
JD United Manufacturing Pte. Limited (Singapore)	Great Union (Cambodia) Garment Co., Ltd.	Garment processing	100.00%	100.00%	
Gowin Garments Corporation Limited	Nagapeace Corporation Limited	Garment processing	100.00%	100.00%	
Changzhou Tooku Garments Co., Ltd.	Bai Cheng Shi Mei Da Garment Co., Ltd.	Garment processing	100.00%	100.00%	
Changzhou Tooku Garments Co., Ltd.	Tanzania Tooku Garments Co., Ltd.	Garment processing	99.97%	99.97%	
Changzhou Tooku Garments Co., Ltd.	Jiangsu Xiu Jia Yu Yang Real Estate Development Limited	Real estate development	50.20%	50.20%	7
Changzhou Tooku Garments Co., Ltd.	Nanjing Xing'ao Trading Co.	International Trading	100.00%	100.00%	14
Changzhou Tooku Garments Co., Ltd.	Henan Gowin Garments Corporation Limited	Garment processing	100.00%	100.00%	5
MF Holding Co., Ltd.	Faith In Blue (USA) Corporation	Investment holding	100.00%	100.00%	
Faith In Blue (USA) Corporation	Nanjing USA, Inc.	Fashion garment wholesaler and distributor	81.65%	10.74%	10
Faith In Blue (USA) Corporation	ADNY Group, Inc.	Investment holding	-	61.63%	10
ADNY Group, Inc.	ADNY Apparel, Inc.	Fashion garment wholesaler	-	100.00%	10

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2021	December 31, 2020	Note
		and distributor			
ADNY Group, Inc.	Nanjing USA, Inc.	Fashion garment wholesaler and distributor	-	82.64%	10
Nanjing USA, Inc.	ADNY Apparel, Inc.	Investment holding	100.00%	-	10
Ten Win Business International Co., Ltd	Tien Le Shan Business Co., Ltd.	Real estate leasing, merchandising	100.00%	-	22

Note 1: 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 February 2020, the amount of capital was US$16,286,843 and the number of shares issued was 16,336,943 shares.

Note 2: On November 7, 2019, the Company authorized the chairman to determine to increase capital in the amount of US$50,000 for Hung Hsing Garment (Cambodia) Co., Ltd. through Fain Tei Enterprise Company Ltd. (BVI). As of December 31, 2021, the amount of capital was US$6,126,556.45 (approximately NT$181,805 thousand).

Note 3: The Company’s Board of Directors approved on November 10, 2017 to establish S.H. United Co., Ltd. (Myanmar) through Fain Tei Enterprise Company Ltd. (BVI) in the amount of no more than US$5,000,000. As of December 31, 2021, the amount of capital was US$4,999,446.40 (approximately NT$151,302 thousand), including US$874,531 of equipment transferred.

Note 4: The Company increase capital to Roo Hsing Garment Manufacturing Co., Ltd. in the amount of US$300,000 thousand 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’s Board of Directors approved on November 10, 2017 to establish Henan Gowin Garments Corporation Limited through J.D. United Manufacturing Corporation Limited in the amount of no more than US$20,000 thousand. The Company’s Board of Directors approved on August 7, 2019 to adjust investment structure through Changzhou Tooku Garments Co., Ltd. As of December 31, 2021, the amount of capital was RMB$2,150 thousand (approximately NT$9,291 thousand).

Note 6: The Company established Intelligence Textile Technology Co., Ltd. on January 26, 2018. And 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 on June 22, 2020 to increase capital in the amount of NT$2,000 thousand, and the Company’s Board of Directors approved on January 13,2021 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 7: To develop land use, Changzhou Tooku Garments Co., Ltd., a subsidiary of the Company, established Jiangsu Xiu Jia Yu Yang Real Estate Development Limited with Changzhou Hongmei Plastic Materbatch Co., Ltd. on December 17, 2018. No capital has been paid as of December 31, 2021.

Note 8: 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).

Note 9: The Company's Board of Directors approved on June 28, 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 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 (14). 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, please refer to note 6(14).

Note10: To extend the business range to brands and great distributors, the Company signed a share purchase agreement in the amount of US$9,600 thousand (approximately NT$297,600 thousand) with Comarg USA, Inc. to acquire 10.4% shares of Nanjing USA, Inc. The Company also acquired 53% shares of ADNY Group, Inc. in the amount of US$38,400 thousand (approximately NT$1,190,400 thousand) from three individual shareholders of ADNY Group, Inc., and indirectly obtained the 42.4% of shares in Nanjing USA, Inc., and then total comprehensively obtained the 52.8% of shares in Nanjing USA, Inc.. The investment for the target company was made through Faith In Blue (USA) Corporation, fully owned investment holding subsidiary established in United States by new subsidiary MF Holding Co., Ltd. in the British Virgin Islands. The Company paid US$24,000 thousand on April 25, 2019, to acquire 33% of shares of ADNY Group, Inc. The Company paid US$24,000 thousand on August 2, 2019, to acquire 20% of shares of ADNY Group Inc. and 10.4% of shares of Nanjing USA, Inc. and became the controlling interest in ADNY Group, Inc. On September 17, 2020, Nanjing USA, Inc. and ADNY

Group, Inc. paid US$2,400 thousand and US$9,600 thousand, respectively, to repurchased 4 shares and 14 shares of treasury shares and then canceled. After the cancel, Faith In Blue (USA) Corporation's holdings of Nanjing USA, Inc. and ADNY Group, Inc.'s shares increased from 10.4% and 53% to 10.74% and 61.63%, respectively. The Company on July 2, 2021, to increase capital in the amount of US$8,320 thousand to Nanjing USA, Inc. and obtained the 16 shares. Nanjing USA, Inc. paid US$13,520 thousand to repurchased 26 shares and then canceled. After the cancel, Faith In Blue (USA) Corporation's holdings of Nanjing USA, Inc. shares increased from 61.68% to 81.65%.

Note11: The Company established Century Hsing Investment Co., Ltd on June 30, 2019, through J.D. United Trading Corporation Limited. The registered capital was US$5,000 thousand. As of December 31, 2021, the amount of capital was US$1,030 thousand.

Note12: The Company established RH Global Investment Limited on June 4, 2020. No capital has been paid as of December 31, 2021.

Note13: The Company established RH International Holdings Limited on June 17, 2020. The Company, for value received in MF Holding Co., Ltd., transfer to RH International Holdings Limited. 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 holds JD United (BVI) Limited. As of December 31, 2021, the company's subsidiary, RH International Holdings Limited, directly holds Tooku Holdings Limited and JD United (BVI) Limited, and jointly hold JD United (Cayman) Limited with JD United (BVI) Limited.

Note14: The Company established Nanjing Xingao Trading Co., Ltd. on May 21, 2020, through Changzhou Tooku Garments Co., Ltd. As of December 31, 2021, the amount of capital was RMB 5,000 thousand.

Note15: The Company established JDU Tokyo Trading Co., Ltd. on May 22, 2020 through J.D. United Trading Corporation Limited. The registered capital was ¥1,000 thousand. As of December 31, 2021, the amount of capital was ¥3,000 thousand.

Note16: The Company established Rootech Pte. Ltd. through Tooku Holdings Ltd. and Newtech Textile (Cayman) International Inc. on June 26, 2020. As of December 31, 2021, the amount of capital was US$1,785 thousand.

Note17: The Company established Shanghai Roo Sheng Textile Technology Development Co., Ltd. on September 8, 2020, through Rootech Pte. Limited. As of December 31, 2021, the amount of capital was US$308 thousand.

Note18: The Company established Xynergy Semiconductor Corporation Limited on September 7, 2020. As of December 31, 2021, the amount of capital was US$10 thousand.

Note19: The Company established JD United (Cayman) Ltd. through RH International Holdings Ltd. on August 26, 2020. No capital has been paid as of December 31, 2021.

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

Note21: The Company established 3Y Corporation Limited through its subsidiary 3Y Universal Company Limited. As of December 31, 2021, the amount of capital was ¥10 thousand.

Note22: The Company established Tien Le Shan Business Co., Ltd through Ten Win Business International Co., Ltd. As of December 31, 2021, the amount of capital was NT$3,000 thousand.

Note23: 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.

Note24: 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, JD United (BVI) Limited for value received in Roo Hsing Garment Manufacturing Co., Ltd. and 3Y Universal Company Limited transfer to the newly established subsidiary, JD United(Cayman) Limited.

Note25: The Company acquired Paneffort, LLC. through its subsidiary Roo Hsing Garment Manufacturing Co., Ltd. As of December 31, 2021, the amount of capital was US$ 390 thousand.

(4) **Foreign currency transactions**

The Company's consolidated financial statements are presented in NT$, which is also the parent Company's functional currency. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective 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.

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

While preparing the Company consolidated 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.

(6) **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.

(7) **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.

(8) **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.

<u>Financial asset measured at fair value through other comprehensive income</u>

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 are 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

<u>Classification between liabilities or equity</u>

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.

<u>Financial liabilities at amortized cost</u>

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.

<u>Derecognition of financial liabilities</u>

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.

(9) **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.

(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**

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 is 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	1~18	years
Transportation equipment	4~10	years
Office and other equipment	1~50	years
Right-for-used assets/Leased assets (Note)	5~55	years

Note: The Company reclassified the lease assets to right-of-use assets after the adoption of IFRS 16 from January 1, 2019.

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) **Investment property**

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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

Buildings	8～60 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) **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.

The Company as a lessor

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.

(16) **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 is 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).

Customer relationship

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

Trademark

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

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

	Computer software	Customer relationship	Trademark
Useful lives	Finite	10 years	10 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the limited useful life
Internally generated or acquired	Acquired	Acquired	Acquired

(17) **Other non-current assets**

Other non-current assets are office ornaments, such as jade art display and Taiwan Cypress woodwork. They are stated at cost and not depreciated over time but the cost will be eliminated when they are disposed of.

(18) **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.

CGU, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the CGU (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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

(19) **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.

(20) **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.

(21) **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:

<u>Sale of goods</u>

The Company manufactures and sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is high unit price equipment and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.
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.

<u>Rendering of services</u>

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 arise

(22) **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 occurs. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(23) **Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(24) **Post-employment benefits**

All regular employees of the Company and its domestic subsidiaries 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 and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(25) **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.

(26) **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.

Current income tax

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.

Income taxes of subsidiaries according to local tax codes are as follows:

A. Roo Hsing Garment Co., Ltd. (Cambodia) is subject to 1% corporate income tax prepaid monthly based on the total amount of offshore price, and 20% income tax based on the annual taxable income. However, local government permitted exemption of 1% corporate income tax on the total amount of goods sold until 2022.

B. GDM Enterprise Co., Ltd., Nishiku Enterprise Co., Ltd., Morning Glory Garment Enterprise Co., Ltd., JD & Toyoshima Co., Ltd., Paneffort (Cambodia) Garment Co., Ltd., J.M. Bag & Case (Cambodia) Co., Ltd., True Power Garment Corporation Ltd., Zhen Tai Garment (Cambodia) Co., Ltd., T & K Garment Industry Co., Ltd., Splendid Chance International Ltd., Great Union (Cambodia) Garment Co., Ltd. and Nagapeace Corporation Limited are subject to 20% income tax according to the local tax rules of Cambodia.

C. Roo Hsing Co. Nicaragua, S.A. and Operadora Internacional de Zonas Francas were established in the free trade zone in Nicaragua. Income taxes are exempted for 10 years (60% exempted from the 11th year) from the establishment of the subsidiaries according to local laws.

D. ROO HSING GARMENT CO., EL SALVADOR, S.A. DE C.V. was established in the free trade zone in El Salvador. Income taxes are exempted according to local laws.

E. Roo Hsing Shanghai Import & Export Co., Ltd., Changzhou Tooku Garments Co., Ltd., Bai Cheng Shi Mei Da Garment Co., Ltd., Chongqing Municipality Youyang Country Tooku Dec Manufacturing Co., Ltd., Changzhou Guangzhou Manchuria Trading Co., Ltd., and Shanghai Roo Sheng Textile Technology Development Co., Ltd. are subject to 25% income tax according to the Enterprise Income Tax Law of the People's Republic of China.

F. 3Y Universal Co., Ltd., J.D. United Manufacturing Corporation Limited, J.D. United Trading Corporation Limited, Nishiku Manufacturing Corporation Limited, J.M. Bag & Case Manufacturing Corporation Limited, Suntex Textile Trading Corporation Limited and Xynergy Semiconductor Corporation Limited are subject to 16.5% income tax according to the Inland Revenue Ordinance of Hong Kong.

G. JD United Manufacturing Pte. Limited (Singapore) is subject to 17% income tax according to local laws the Income Tax of the Republic of Singapore.

H. Tanzania Tooku Garments Co., Ltd. is subject to 30% income tax according to local laws the Income Tax of the United Republic of Tanzania.

I. ADNY Group, Inc., ADNY Apparel, Inc. and Nanjing USA, Inc. are subject to 21% income tax according to local laws the Income Tax of United States.

J. 3Y Corporation and JDU Tokyo Trading Co., Ltd. is subject to 23.2% income tax according to local laws the Income Tax of Japan.

(27) **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purpose and is no larger than an operating segment before aggregation.
Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the CGU retained.

(28) **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. <u>CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY</u>

The preparation of the Company's consolidated financial statements require management to make judgments, 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.

(1) Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Operating lease commitment－Company as the lessor

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

(2) 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
Cash on hand	$ 98,033	$ 38,433
Checking accounts and demand deposits	922,763	615,447
Time deposits (Note)	-	-
Total	$ 1,020,796	$ 653,880

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) Financial assets measured at amortized cost

	December 31, 2021	December 31, 2020
Demand deposits restricted for use	$ 476,751	$ 446,545
Time deposits	260,192	286,722
Subtotal	736,943	733,267
Less: loss allowance	-	-
Total	$ 736,943	$ 733,267

The Company classified certain financial assets as financial assets at amortized cost. Please refer to Note 6 (18) 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.

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

	December 31, 2021	December 31, 2020
Accounts receivable (total carrying amount)	$ 3,232,723	$ 4,227,364
Less: loss allowance	(615,844)	(232,528)
Subtotal	2,616,879	3,994,836
Accounts receivable due from related parties	-	47,595
Less: loss allowance	-	-
Subtotal	-	47,595
Total	$ 2,616,879	$ 4,042,431

Please refer to Note 8 for more details of accounts receivable under pledge and Note 12(13) for disclosure on information of accounts receivable transferred.

Accounts receivable are generally on 30-90 day terms. Total carrying amount were NT$3,232,723 thousand and NT$4,274,959 thousand as of December 31, 2021 and 2020. Please refer to Note 6 (18) for more details on loss allowance of trade receivables, and Note 12 for more details on credit risk management.

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

	December 31, 2021	December 31, 2020
Financing	$ 54,921	$ 115,347
Income tax refund receivable	110,120	102,374
Interest receivable	34,542	35,618
Factoring of accounts receivable without recourse (to be collected from the bank)	179,491	487,232
Others	543,695	537,553
Less: loss allowance	(260,384)	(266,479)
Subtotal	662,385	1,011,645
Accounts receivable due from related parties	41,247	220,128
Less: loss allowance	-	-
Subtotal	41,247	220,128
Total	$ 703,632	$ 1,231,773

Please refer to Note 6 (18) for more details on loss allowance of trade receivables, and Note 12 for more details on credit risk management.

(5) Inventories

	December 31, 2021	December 31, 2020
Raw materials and supplies	$ 573,307	$ 810,323
Work in process	1,429,317	1,106,094
Finished goods	1,518,616	1,434,949
Merchandise	690,874	624,830
Total	$ 4,212,114	$ 3,976,196

For the years ended December 31, 2021 and 2020, the Company recognized cost of goods sold of NT$14,291,492 thousand and NT$14,204,235 thousand, respectively, which included the inventory write-down, totaling NT$(28,906) thousand and NT$42,382 thousand, respectively.

The gain from inventory price recovery was due to the reversal of provision for obsolete inventory depreciation and obsolete inventory loss.

(6) Prepayments

	December 31, 2021	December 31, 2020
Prepaid rents	$ 9,655	$ 2,604
Prepaid insurance	36	233
Prepayment for purchases	655,089	898,277
Prepaid sales tax	15,740	15,820
Overpaid sales tax	9,980	8,360
Prepaid expenses	6,625	4,934
Others	25,441	29,044
Total	$ 722,566	$ 959,272

(7) Investments accounted for using the equity method

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

	December 31, 2021		December 31, 2020	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
3Y Universal Co., Ltd	$ -	-	$ 91,869	23%
Paneffort, LLC.	10,795	39%	-	-
	$ 10,795		$ 91,869	

The Company acquired 23% of the voting shares of 3Y Universal Co., Ltd, through its subsidiary JD United (BVI) Limited on October 31 2019. The acquisition consideration was NT$84,544 thousand. The Company acquired 39% of the voting shares of Paneffort, LLC. through its subsidiary J.D. United Manufacturing Corporation Limited in November 2021. The acquisition consideration was US$390,000 (approximately NT$10,795 thousand). The following table illustrates summarized financial information of the Company's investment in the associate:

	For the years ended December 31	
	2021	2020
Loss from continuing operations	$ 1,533	$ 11,228
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$ 1,533	$ 11,228

The Company acquired 28% of the voting shares of 3Y Universal Co., Ltd, through its subsidiary JD United (BVI) Limited on January 29, 2021. The acquisition consideration was NT$124,748 thousand. With the original shares of 23% held by the Company, the total shareholding reached more than half of the equity and subsidiary therefore have been controlled by the Company.

A. The income and other comprehensive income of the associates accounted for using the equity method for the year ended December 31, 2021 and 2020 was audited by other accountants.

B. The associate mentioned above did not have contingent liabilities or capital promise and did not provide guarantee as of December 31, 2021 and 2020.

(8) Property, plant and equipment

	December 31, 2021	December 31, 2020
Self-used property, plant and equipment	$ 3,612,024	$ 3,875,700
Operating rental property, plant and equipment	45	60
Total	$ 3,612,069	$ 3,875,760

	Land	Buildings and structures	Machinery and equipment	Office and other equipment	Transportation equipment	Construction in progress	Total
Cost:							
As of January 1, 2021	$ 923,847	$ 756,310	$3,181,025	$1,684,206	$ 55,562	$ 201,768	$6,802,718
Additions	-	36,212	61,275	35,375	1,798	195,293	329,953
Disposals	-	(7,340)	(66,786)	(8,021)	(2,491)	(21,170)	(105,808)
Transfers	-	60,341	(28,375)	78,730	2,182	(119,069)	(6,191)
Exchange differences	(4,180)	(19,373)	(100,303)	(55,866)	(1,059)	(4,865)	(185,646)
As of December 31, 2021	$ 919,667	$ 826,150	$3,046,836	$1,734,424	$ 55,992	$ 251,957	$6,835,026
Depreciation and impairment:							
As of January 1, 2021	$ 9,962	$ 399,004	$1,592,095	$ 879,462	$ 46,435	$ -	$2,926,958
Depreciation	-	44,966	267,334	137,495	4,032	-	453,827
Impairment	-	-	7,029	-	-	-	7,029
Disposals	-	(6,973)	(59,806)	(2,160)	(2,365)	-	(71,304)
Transfers	-	(3,329)	(20,765)	22,791	720	-	(583)
Exchange differences	-	(10,465)	(53,122)	(28,507)	(876)	-	(92,970)
As of December 31, 2021	$ 9,962	$ 423,203	$1,732,765	$1,009,081	$ 47,946	$ -	$3,222,957
Net carrying amount as of:							
December 31, 2021	$ 909,705	$ 402,947	$1,314,071	$ 725,343	$ 8,046	$ 251,957	$3,612,069

	Land	Buildings and structures	Machinery and equipment	Office and other equipment	Transportation equipment	Construction in progress	Total
Cost:							
As of January 1, 2020	$ 931,685	$ 753,892	$ 2,785,155	$ 1,628,858	$ 62,193	$ 136,328	$ 6,298,111
Additions	-	37,313	156,219	85,154	2,491	271,961	553,138
Disposals	-	-	(119,964)	(66,060)	(7,443)	-	(193,467)
Transfers	-	94	486,713	103,814	-	(166,357)	424,264
Exchange differences	(7,838)	(34,989)	(127,098)	(67,560)	(1,679)	(40,164)	(279,328)
As of December 31, 2020	$ 923,847	$ 756,310	$ 3,181,025	$ 1,684,206	$ 55,562	$ 201,768	$ 6,802,718
Depreciation and impairment:							
As of January 1, 2020	$ 9,962	$ 375,619	$ 1,479,018	$ 795,703	$ 50,011	$ -	$ 2,710,313
Depreciation	-	41,969	237,381	144,918	4,314	-	428,582
Disposals	-	-	(44,999)	(19,370)	(6,048)	-	(70,417)
Exchange differences	-	(18,584)	(79,305)	(41,789)	(1,842)	-	(141,520)
As of December 31, 2020	$ 9,962	$ 399,004	$ 1,592,095	$ 879,462	$ 46,435	$ -	$ 2,926,958
Net carrying amount as of:							
December 31, 2020	$ 913,885	$ 357,306	$ 1,588,930	$ 804,744	$ 9,127	$ 201,768	$ 3,875,760

Components of buildings of the Company are mainly buildings and decoration, which are depreciated over 20 - 50 years and 1 - 8 years, respectively, depending on their useful lives.

The Company recognized impairment losses of NT$7,029 thousand and NT$0 thousand in 2021 and 2020, respectively. Accumulated impairment amounted to NT$37,954 thousand and NT$31,000 thousand as of December 31, 2021 and 2020, respectively.

The value of the land The Company owned in Cambodia amounted to US$1,370 thousand as of December 31, 2021 and 2020. The land could not be registered in the name of Roo Hsing Garment Co., Ltd. (Cambodia) yet because of local regulations in Cambodia, and was temporarily registered in the names of Jin-Cheng, Gan and Hsing-Hung, Chen. Both parties entered into a land trust agreement in 2007, specifying rights and obligations of both parties.

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

(9) Intangible assets

	Computer software	Trademark	Customer Relationship	Goodwill (including human recourses)	Total
Cost:					
As of January 1, 2021	$ 216,753	$ 1,897	$3,147,038	$5,191,649	$8,557,337
Additions	949	-	-	163,580	164,529
Exchange differences	(5,095)	(53)	(24,798)	(17,850)	(47,796)
As of December 31, 2021	$ 212,607	$ 1,844	$3,122,240	$5,337,379	$8,674,070
As of January 1, 2020 (Retrospective adjustment)	$ 219,652	$ 1,997	$3,193,224	$5,217,033	$8,631,906
Additions	4,637	-	-	-	4,637
Exchange differences	(7,536)	(100)	(46,186)	(25,384)	(79,206)
As of December 31, 2020	$ 216,753	$ 1,897	$3,147,038	$5,191,649	$8,557,337
Amortization and Impairment:					
As of January 1, 2021	$ 52,497	$ 1,798	$ 898,679	$2,128,893	$3,081,867
Amortization	20,687	97	308,710	-	329,494
Impairment loss	-	-	-	475,884	475,884
Exchange differences	(1,298)	(93)	-	(5,102)	(6,452)
As of December 31, 2021	$ 71,886	$ 1,798	$1,207,389	$2,599,675	$3,880,793
As of January 1, 2020 (Retrospective adjustment)	$ 28,819	$ 1,694	$ 585,900	$ 2,128,893	$ 2,745,307
Amortization	25,729	197	312,779	-	338,705
Exchange differences	(2,051)	(93)	-	-	(2,144)
As of December 31, 2020	$ 52,497	$ 1,798	$ 898,679	$ 2,128,893	$ 3,081,867
Net carrying amount as of					
As of December 31, 2021	$ 140,721	$ 1	$1,914,851	$2,737,704	$4,793,277
As of December 31, 2020	$ 164,256	$ 99	$2,248,359	$3,062,756	$5,475,470

	For the years ended December 31	
	2020	2019
Operating expenses	$ 329,494	$ 338,705

(10) Impairment testing of goodwill

For the purpose of impairment testing, the goodwill acquired from the business combination has been allocated to the following cash-generating units as follows:

Book value of goodwill allocated to each cash-generating unit:

	December 31, 2021	December 31, 2020
Cash generating unit A	$ 2,272,545	$ 2,584,154
Cash generating unit B(Note)	465,159	478,603
Total	$ 2,737,704	$ 3,062,757

Note: The difference between the carrying amount of goodwill as of December 31, 2021 and 2020 is due to exchange rate.

Cash generating unit A

The recoverable amount of cash generating unit A were NT$9,143,175 thousand and NT$12,772,198 thousand as of December, 31 2021 and 2020, respectively. The recoverable amount is determined by value in use, and the value in use is calculated using the cash flow forecast approved by the management at the five-year financial budget. Cash flow forecast has been updated to reflect changes in related operating conditions. The pre-tax discount rates used in the cash flow forecast were 11.4%~12.47% and 11.2% as of December 31 2021, 2020 respectively. And the cash flow over the five-year period was extrapolated at a growth rate of 2% and 1.7% as of December 31, 2021 and 2020, respectively. This growth rate is equivalent to the average of the industry. Based on the results of this analysis, management had recognized impairment losses of NT$475,884 thousand in 2021, and there’s no impairment occurred in 2020.

Cash generating unit B

The recoverable amount of cash generating unit B was NT$2,005,001 thousand and NT$2,111,251 thousand as of December 31, 2021 and 2020, respectively. The recoverable amount is determined by value in use, and the value in use is calculated using the cash flow forecast approved by the management at the five-year financial budget. Cash flow forecast has been updated to reflect changes in related operating conditions. The pre-tax discount rate used in the cash flow forecast was 11.4% and 10% as of December 31, 2021 and 2020, respectively. And the cash flow over the five-year period was extrapolated at a growth rate of 2.2% and 2.3% as of December 31, 2021 and 2020, respectively. This growth rate is equivalent to the average growth rate of the industry. Based on the results of this analysis, cash-generating unit B was not impaired in 2021 and 2020.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

(a) Gross margin
(b) Discount rates
(c) Growth rate of sales of budget period

Gross margins - Gross margins are based on the gross margins of the latest fiscal year and future trend of the market.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company’s investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.

Growth rate of sales estimates	- The growth rate of sales was estimated by historical experience. The long-term average growth rate the Company predicted was adjusted by considering the product life cycle and the macroeconomic environment.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of all cash-generating units, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amount.

Information modification for comparative periods

The Company does not hold intangible assets with indefinite useful lives. Goodwill acquired through business combinations has been allocated to each cash-generating unit (CGU) expected to benefit from synergies of business combinations. The Company tests the recoverable amount of goodwill for impairment as of the last day of every fiscal year, calculating recoverable amount from value in use. The value in use is determined based on cash flow projections discounted by the post-tax discount rate from financial budgets approved by management covering a thirteen-year period. The projected cash flows reflect change in demand for products. The Company has evaluated the impairment for the recoverable amount of goodwill. As of December 31 2021, The Company has recognized cumulative impairment loss of NT$2,574,294 thousand.

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

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

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

(11) Short-term loans

	Interest Rate (%)	December 31, 2020	December 31, 2020
Unsecured bank loans	1.80~2.30	$ 540,000	$ 540,000
Secured bank and finance company loans	2.20~6.00	4,972,915	5,514,190
Letter of credit	1.15~5.90	217,222	228,610
Total		$ 5,730,137	$ 6,282,800

The Company's unused short-term lines of credits amounted to NT$2,220,359 thousand and NT$2,143,195 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) Provision

	Employee benefits provision	Sales returns and allowances provision	Total
As of January 1, 2021	$ 1,991	$ 33,140	$ 35,131
Provision	-	-	-
Payment	-	(10,494)	(10,494)
Reversal	-	-	-
Exchange differences	-	(819)	(819)
As of December 31, 2021	$ 1,991	$ 21,827	$ 23,818

	Employee benefits provision	Sales returns and allowances provision	Total
As of January 1, 2020	$ 1,991	$ 65,294	$ 67,285
Provision	-	5,740	5,740
Payment	-	(35,703)	(35,703)
Reversal	-	-	-
Exchange differences	-	(2,191)	(2,191)
As of December 31, 2020	$ 1,991	$ 33,140	$ 35,131

The analysis of provision is as follows:

	December 31,2021	December 31,2020
Current	$ 23,818	$ 35,131

(13) 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 and principal paid monthly with annuity method.
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 13th periods, interest and principal paid monthly with annuity method.
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 13th 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 13th 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 13th 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.
EnTie Bank Secured borrowings denominated in a foreign currency (US$8,320 thousand)	230,298	3.18	Repayment is made in 24 monthly installments from April 29, 2021 to April 29, 2024. Interest will be paid monthly.
HSBC Secured borrowings denominated in a foreign currency (US$10,417 thousand)	288,333	2.94	Repayment is made in 36 monthly installments from January 12, 2021 to January 12, 2024. Interest will be paid monthly.
HSBC Secured borrowings denominated in a foreign currency (US$7,778 thousand)	215,289	2.95	Repayment is made in 36 monthly installments from November 12, 2021 to November 12, 2024. Interest will be paid monthly.
HSBC Secured borrowings denominated in a foreign currency (US$1,286 thousand)	35,589	2.50	Repayable every three months from May 9, 2017 to May 9, 2022. Interest paid will be paid monthly.
Toyoshima And Co., Ltd. Secured borrowings denominated in a foreign currency (US$70 thousand)	1,938	2.00	Repayable biannually from October 14, 2015 to September 30, 2022. Interest will be paid biannually.
Navigator Financial Leasing Co., Ltd. (US$1,558 thousand)	43,117	12.07	Repayment is made in 24 monthly installments from November 26, 2021 to November 26, 2023. Interest will be paid monthly.
Great China Financing Leasing Co., Ltd. (US$23 thousand)	647	11.99	Repayment is made in 36 monthly installments from June 21, 2019 to June 21, 2022. Interest will be paid monthly.
Subtotal	947,971		
Less: current portion	(410,263)		
Total	$ 537,708		

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.
HSBC Secured borrowings denominated in a foreign currency (US$3,032 thousand)	86,359	2.89	Repayment is made in 36 monthly installments from September 5, 2018 to September 5, 2021. Interest will be paid monthly.
HSBC Secured borrowings denominated in a foreign currency (US$3,857 thousand)	109,851	2.47	Repayment is made in 20 monthly installments from May 9, 2017 to May 9, 2022. Interest will be paid monthly.
Toyoshima And Co., Ltd. Secured borrowings denominated in a foreign currency (US$140 thousand)	3,987	2.00	Repayable biannually from October 14, 2015 to September 30, 2022. Interest paid biannually.
Subtotal	304,302		
Less: current portion	(177,845)		
Total	$ 126,457		

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

(14) Non-current preferred stock liabilities

	December 31, 2021	December 31, 2020
Type A preferred stock	$ -	$ -
Type B preferred stock	24,000	24,000
Type C preferred stock	6,120	6,120
Subtotal	30,120	30,120
Less：preferred stock discount - type B preferred stock	151	(748)
	30,271	29,372
Less：current portion	(30,271)	-
Toatl	$ -	$ 29,372

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

The Company issued 3,000 thousand shares of type A preferred stocks on February 17, 2014. The face value is NT$10. The preferred stocks were issued at par for a total of NT$30,000 thousand. The type A preferred stocks are convertible. Of which 3000 shares were converted into ordinary shares in February 2020.

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

A. The Company will recall all outstanding type A 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 A preferred stocks shareholders can request the Company to recall the type A 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 A 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 A issuance in C. If the Company accepts the shareholder’s requests to recall Type A preferred stock at original issuance price, accumulated and insufficient undistributed dividends will be distributed under such condition.

The Company issued 8,000 thousand shares of type B preferred stocks on January 9, 2015. The face value is NT$10. The preferred stocks were issued at par for a total of NT$80,000 thousand, The type B preferred stocks are convertible. Of which 5,600 shares were converted into ordinary shares in November 2021.

The terms of issuance of type B preferred stocks 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 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 be distributed under such condition.

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

The terms of issuance of type C preferred stocks 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 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 be distributed under such condition.

(15) Post-employment benefits defined contribution plan

Defined contribution plan

The Company and its domestic subsidiaries adopt 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.

Subsidiaries located in the People’s Republic of China will contribute social welfare benefits based on a certain percentage of employees’ salaries or wages to the employees’ individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2021 and 2020 are NT$54,652 thousand and NT$34,309 thousand, respectively.

Defined benefits plan

The Company adopt 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 years 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.

(16) 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(20) for more details of employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For years ended December 31	
	2021	2020
Beginning balance(Note)	$ 651,814	$ 935,427
Increase capital from subsidiaries and others	333	59,713
Obtained through a business combination	61,337	-
From share of changes in equities of subsidiaries	(88,594)	(326,267)
(Loss) gain attributable to non-controlling interests	(18,519)	16,818
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	(13,075)	(33,877)
Share of other comprehensive income of associates	-	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-
Acquisition of issued shares of subsidiaries	-	-
Disposal of subsidiaries	-	-
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries (Retrospective adjustment)	-	-
Ending balance	$ 593,296	$ 651,814

Note: The amount is after retrospective adjustment on January 1, 2020.

(17) Operating revenue

	For years ended December 31	
	2021	2020
Revenue from contracts with customers		
Sale of goods	$ 16,233,747	$ 13,812,878
Processing revenue	45,270	3,026,752
Washing revenue	196,108	213,349
Other operating revenues	8,005	21,418
Rent revenue	4,120	3,435
Total	$ 16,487,250	$ 17,077,832

Analysis of revenue from contracts with customers is as follows:

A. Disaggregation of revenue

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

	For the years ended December 31, 2020			
	Trade marketing Department	Production and Sales Department	Lease Department	Total
Sale of goods (Note)	$ 4,562,457	$ 9,271,839	$ -	$ 13,834,296
Rendering of services	-	3,240,101	-	3,240,101
Rent revenue	-	-	3,435	3,435
Total	$ 4,562,457	$ 12,511,940	$ 3,435	$ 17,077,832
Timing of revenue recognition:				
At a point in time	$ 4,562,457	$ 12,511,940	$ -	$ 17,074,397
Over time	-	-	3,435	3,435
Total	$ 4,562,457	$ 12,511,940	$ 3,435	$ 17,077,832

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

B. Contract balances

Contract liabilities – current

	December 31, 2021	December 31, 2020
Sales of goods	$ 37,048	$ 24,342

A description of the significant changes in the contract liabilities for the Company for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31	
	2021	2020
The opening balance transferred to revenue	$ (1,004)	$ (1,600)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	13,710	17,886

C. Transaction price allocated to unfulfilled performance obligations

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

The transaction price of The Company’s performance obligations not yet satisfied (including partially unmet) totaled NT$24,342 thousand as of December 31, 2020. It is expected that approximately 100% will be transferred to revenue within 2021.

D. Assets recognized from costs to fulfill a contract: None.

(18) Expected credit loss (gain)

	For the years ended December 31	
	2021	2020
Operating expenses – Expected credit loss / (gain)		
Accounts receivable	$ 391,180	$ 19,202
Other receivables	-	(11,835)
Total	$ 391,180	$ 7,367

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 (Note1)	0-90 days	91-180 days	Over 181 days (Note2)	Total
Gross carrying amount	$ 1,886,667	$ 676,713	$ 84,713	$ 584,847	$ 3,232,940
Loss ratio	-	-	-	50%~100%	
Lifetime expected credit loss	-	-	(32,155)	(583,689)	(615,844)
Carrying amount	$ 1,886,667	$ 676,713	$ 52,558	$ 1,158	$ 2,617,096

	December 31, 2020				
		Number of days overdue			
	Not yet due (Note1)	0-90 days	91-180 days	Over 181 days (Note2)	Total
Gross carrying amount	$ 2,658,785	$ 1,037,326	$ 218,506	$ 312,791	$ 4,227,408
Loss ratio	-	-	-	50%~100%	
Lifetime expected credit loss	-	-	-	(232,528)	(232,528)
Carrying amount	$ 2,658,785	$ 1,037,326	$ 218,506	$ 80,263	$ 3,994,880

Note1 : The Company's notes receivables are not overdue.

Note2 : 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$964,016 thousand and NT$1,498,252 thousand as of December 31, 2021 and 2020. Considering the counterparty's credit situation, the loss allowances of NT$260,384 thousand and NT$266,479 thousand had been accured, 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	$ 232,528	$ 266,479
Addition/(reversal) for the current period	392,561	-
Write-off due to uncollectible	(1,381)	-
Exchange differences	(7,864)	(6,095)
Ending balance December 31, 2021	$ 615,844	$ 260,384
Beginning balance January 1, 2020	$ 216,580	$ 286,316
Addition/(reversal) for the current period	19,202	(11,835)
Write-off due to uncollectible	(1,522)	-
Exchange differences	(1,732)	(8,002)
Ending balance December 31, 2020	$ 232,528	$ 266,479

(19) 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 15 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
Land	$ 14,443	$ 17,090
Land use rights	8,118	8,601
Buildings and structures	426,395	534,566
Machinery and equipment	42,705	43,939
Transportation equipment	4,020	2,746
Office equipment	54	101
Other equipment	16,788	20,193
Total	$ 512,523	$ 627,236

The Company added NT$94,943 thousand and NT$71,643 thousand of the right-of-use assets for the year ended December 31, 2021 and 2020, respectively.

ii. Lease liabilities

	December 31, 2021	December 31, 2020
Current	$ 96,328	$ 133,578
Non-current	319,645	366,265
Total	$ 415,973	$ 499,843

Range of discount rate for lease liabilities was 1.5264% - 14% (annual interest rate).

Please refer to Note 6 (21) for the interest on lease liabilities recognized and refer to Note 12 (5) 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 years ended December 31	
	2021	2020
Land	$ 2,167	$ 2,230
Land use rights	384	472
Buildings and structures	164,964	187,477
Machinery and equipment	-	27,755
Transportation equipment	2,667	3,339
Office equipment	47	96
Other equipment	2,838	2,920
Total	$ 173,067	$ 224,289

(c) Income and costs related to leasing activities

	For the years ended December 31	
	2021	2020
The expenses relating to short-term leases	$ 90,769	$ 100,119

(d) Cash outflow related to leasing activities

During the year ended December 31, 2021 and 2020, The Company's total cash outflows for leases amounted to NT$149,330 thousand and NT$189,379 thousand, respectively.

(e) Other information related to leasing activities

Extension and termination options

Some of the Company's property rental agreement contain 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 (8) 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 years ended December 31	
	2021	2020
Lease income recognized by operating lease		
Related income from fixed lease payments	$ 4,120	$ 3,435

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

Function / Nature	For the years ended December 31					
	2021			2020		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expenses						
Salaries	$2,446,800	$ 610,739	$3,057,539	$2,833,372	$ 587,745	$3,421,117
Labor and health insurance	78,792	101,851	180,643	73,970	95,340	169,310
Pension	13,992	40,660	54,652	8,722	25,618	34,340
Directors' remuneration	-	10,591	10,591	-	10,749	10,749
Other employee benefits expenses	75,841	17,446	93,287	79,288	14,852	94,140
Depreciation	517,711	109,123	626,894	564,126	90,354	654,480
Amortization	1,155	328,339	329,494	2,646	336,059	338,705

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 December 31 2020.

(21) Non-operating income and expenses

A. Other income

	For the years ended December 31	
	2021	2020
Rental income	$ 137	$ 137
Interest income		
Bank savings	3,978	13,571
Other interest revenue	71	75
Subtotal	4,049	13,646
Others	155,155	202,394
Total	$ 159,341	$ 216,177

B. Other gains and losses

	For the years ended December 31	
	2021	2020
Gains (losses) on disposal of property, plant and equipment	$ (3,372)	$ 9,419
Gains on disposal of investments	8,790	-
Foreign exchange gains / (losses), net	(160,964)	(198,104)
Impairment loss	(482,913)	-
Losses on financial assets at fair value through profit or loss (Note)	-	8,066
Profit from lease modification	1,416	639
Others expenses	(31,720)	(67,736)
Total	$ (668,763)	$ (247,716)

Note : All are generated by financial assets compulsorily measured at fair value through profit or loss for the year ended December 31, 2020.

C. Finance costs

	For the years ended December 31	
	2021	2020
Interest on loans from bank	$ 214,507	$ 251,100
Interest for leases liabilities	52,061	48,552
Letter of Credit Repayment Interest.	2,919	5,838
Interest for preferred stocks	3,294	(1,647)
Interest for finance leases	-	524
Imputed interest of guarantee deposits	6	6
Total	$ 272,787	$ 304,373

(22) 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)
Share of other comprehensive income of associates that will not be reclassified to profit or loss	-	-	-	-	-
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	$ -	$ (2,308)	$ 462	$ (1,846)
Share of other comprehensive income of associates that will not be reclassified to profit or loss	-	-	-	-	-
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)	$ -	$ (172,357)	$ 462	$ (171,895)

(23) 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 years ended December 31	
	2021	2020
Current income tax expense:		
Current income tax charge	$ 10,904	$ 26,360
Land value increment tax paid in the current period	-	-
Adjustments in respect of current income tax of prior periods	4,554	29,606
Deferred tax benefit:		
Deferred tax income related to origination and reversal of temporary differences	(45,019)	(45,459)
Total income tax (income) expense	$ (29,561)	$ 10,507

Income tax related to components of other comprehensive income

	For the years ended December 31	
	2021	2020
Deferred tax expense (benefit)		
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 years ended December 31	
	2021	2020
Accounting loss before tax from continuing operations	$ (102,328)	$ (102,328)
Income tax calculated at the statutory income tax rate of the parent country	$ (20,341)	$ (20,465)
Tax effect of revenues exempt from taxation	199,353	193,802
Tax effect of expenses not deductible for tax purposes	215,555	26,113
Tax effect of deferred tax assets/liabilities	(438,840)	(138,180)
Effect of different tax rates applicable to the Company and its subsidiaries	13,303	(80,369)
Adjustments in respect of current income tax of prior periods	1,409	29,606
Total income tax expense (income) recognized in profit or loss	$ (29,561)	$ 10,507

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

	As of December 31, 2021						
	Beginning balance at January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition through business combinations	Disposal of subsidiaries	Actual payment	Ending balance at December 31, 2021
Temporary differences							
Defined benefit liabilities	$ 836	$ (768)	$ 65	$ -	$ -	$ -	$ 133
Unrealized foreign exchange gains	(542)	-	-	-	-	-	(542)
Unrealized foreign exchange losses	542	-	-	-	-	-	542
Fair value adjustments from business combinations	(304,207)	45,731	-	-	-	-	(258,476)
Other	2,165	(3)	-	-	-	-	2,159
Deferred tax (expense) / income		$ 45,177	$ 65	$ -	$ -	$ -	
Net deferred tax assets (liabilities)	$(301,206)						$(256,184)
Reflected in balance sheet as follows:							
Deferred tax assets	$ 3,229						$ 2,430
Deferred tax liabilities	$(304,435)						$(258,614)
Liabilities related to non-current assets classified as held for sale	$ -						$ -

	As of December 31, 2020						
	Beginning balance at January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Acquisition through business combinations	Disposal of subsidiaries	Actual payment	Ending balance at December 31, 2020
Temporary differences							
Defined benefit liabilities	$ 872	$ (498)	$ 462	$ -	$ -	$ -	$ 836
Unrealized foreign exchange gains	(542)	-	-	-	-	-	(542)
Unrealized foreign exchange losses	542	-	-	-	-	-	542
Fair value adjustments from business combinations	(349,426)	45,219	-	-	-	-	(304,207)
Other	1,709	456	-	-	-	-	2,165
Deferred tax (expense) / income		$ 45,177	$ 462	$ -	$ -	$ -	
Net deferred tax assets (liabilities)	$(346,845)						$(301,206)
Reflected in balance sheet as follows:							
Deferred tax assets	$ 2,581						$ 3,229
Deferred tax liabilities	$(349,426)						$(304,435)
Liabilities related to non-current assets classified as held for sale	$ -						$ -

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

		Unused tax losses		
Year	Tax losses for the period	December 31, 2021	December 31, 2020	Expiration year
2015	$ 332,798	$ 188,973	$ 74,183	2020 to 2025
2016	56,869	52,474	52,474	2021 to 2026
2017	605,137	523,045	525,945	2022 to 2027
2018	228,731	107,657	111,044	2023 to 2028
2020	14,150	14,150	-	2025 to 2030
2021	211,999	211,999	-	2026 to 2031
		$ 1,098,298	$ 763,646	

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$262,066 thousand and NT$218,105 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 December 31, 2021, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns	Remarks
The Company	Assessed and approved up to 2019	-
Subsidiary—Ten Win Business International Co., Ltd.	Assessed and approved up to 2019	-
Subsidiary—Intelligence Silicon Technology Co., Ltd.	Assessed and approved up to 2020	-

(24) 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 years ended December 31	
	2021	2020
A. 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)

	For the years ended December 31	
	2021	2020
B. Diluted earnings per share		
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT$)	$ (1,891, 502)	$ (129,653)
Profit (loss) attributable to ordinary equity holders of the Company after dilution (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
Effect of dilution:		
Calculation of net loss for the period not considering anti-dilutive effect	-	-
Weighted average number of ordinary shares outstanding after dilution (in thousands)	818,915	817,799
Diluted 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.

(25) Business combinations

Acquisition of Ten Win Business International Co., Ltd

Chuwa Wool Industry Co., (Taiwan) Ltd., a subsidiary of the Company, acquired 23% of the voting shares of Ten Win Business International Co., Ltd. (Ten Win Company) on May 10, 2019. When the percentage is combined with the original 30% shares held by the Company, it reached more than 50% equity.
The Company has measured the non-controlling interest of Ten Win Company at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of Ten Win Company as of the acquisition date are as follows:

	Fair value recognized on the acquisition date
Assets	
Cash and cash equivalents	$ 1,133
Inventories	1,267
Prepayments	1,859
Property, plant and equipment	691,604
Refundable deposits	20
	695,883
Liabilities	
Other payables	(81,326)
Contract liabilities-current	(2,667)
Guarantee deposits received	(600)
Preferred stock liabilities	(366,519)
	(451,112)
Fair value of identifiable net assets	$ 244,771

Gain recognized in bargain purchase transaction of Ten Win Company is as follows:	
Acquisition consideration	$ 61,327
Add: the fair value of the original 30% shareholding of the acqusition date	67,545
Add: non-controlling interest (47% of identifiable net assets at fair value)	115,043
Less: identifiable net assets at fair value	244,771
Goodwill(Gain recognized in bargain purchase transaction)	$ (856)

From May 1, 2019 to December 31, 2019, Ten Win Company has contributed NT$3,045 thousand of revenue and NT$12,892 thousand of net loss before tax to the Company. If the combination had taken place at the beginning of the year, revenue from the continuing operations would have been NT$16,917,970 thousand and the loss from continuing operations for the Company would have been NT$1,051,084 thousand.

Analysis cash flows on acquisition:	
Net cash acquired with the subsidiary	$ 1,133
Cash paid for acquisition	(61,327)
Net cash flow on acquisition	$ (60,194)

Valuation of the assets had been completed on April 2019. The fair value of the assets was NT$244,771 thousand according to the final assessment, an increase of NT$288,322 thousand to the preliminary assessment.

The value adjustment of acquisition date as follows:

	Preliminary fair value	Difference adjustment	Final fair value
Property, plant and equipment	$344,803	$346,801	$691,604
Preferred stock liabilities	(308,040)	(58,479)	(366,519)

The fair value of the original 30% shares after remeasurement decreased by NT$12,447 thousand, property, plant and equipment increased by NT$346,801 thousand, preferred stock liabilities increased by NT$(58,479) thousand, and non-controlling interest increased by NT$135,512 thousand. Goodwill decreased by NT$164,401 thousand and the gain recognized in bargain purchase transaction arising from the acquisition was NT$856 thousand.

Acquisition of Adny Group, Inc. and Nanjing USA, Inc.

The Company's Board of Directors approved on February 12, 2019 to acquired 53% shares of Adny Group, Inc. (the "Adny Company") in the amount of US$48,000 thousand (approximately NT$1,492,320 thousand) through Faith In Blue (USA) Corporation and indirectly obtained the 42.4% stake in Nanjing USA, Inc., and directly acquire 10.4% shares of Nanjing USA, Inc. The Company acquired a total of 52.8% shares of Nanjing USA, Inc. The acquisition was settled and registered on August 2, 2019. Established in the United States, Adny Company is a non-listed company specializing in the investment holding of fashion garment wholesaler and distributor. The Company acquired Adny Company mainly to expand business scale and to integrate serving of wholesale. The acquisition was expected to benefit performance and enforce the ability in customer development.

The Company has measured the non-controlling interest of Adny Company at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of Adny Company as of the acquisition date are as follows:

	Fair value recognized on the acquisition date (After adjustment)
Assets	
Cash and cash equivalents	$ 154,168
Other receivables	740,463
Current tax assets	99,969
Inventories	1,586,945
Prepayments	2,720
Property, plant and equipment	628
Right-of-use assets	50,767
Intangible assets	964,930
Deferred tax assets	3,016

	Fair value recognized on the acquisition date (After adjustment)
Refundable deposits	$ 5,668
	3,609,274
Liabilities	
Accounts payable	(1,543,860)
Other payables	(107,701)
Current provisions	(10,454)
Current lease liabilities	(68,603)
Non-current lease liabilities	(41,759)
	(1,772,377)
Fair value of identifiable net assets	$ 1,836,897

Goodwill of Adny Company is as follows:	
Acquisition consideration (including 10.4% shares of Nanjing USA, Inc. in the amount of US$9,600 thousand)	$ 746,160
Add: the fair value of the original 33% shareholding of the acqusition date	746,160
Add: non-controlling interests (47% of identifiable net assets at fair value)	867,039
Less: identifiable net assets at fair value	(1,836,897)
Goodwill	$ 522,462

From August 2, 2019 to December 31, 2019, Adny Company has contributed NT$1,837,069 thousand of revenue and NT$18,514 thousand of net profit before tax to the Company. If the combination had taken place at the beginning of the year, revenue from the continuing operations would have been NT$20,055,545 thousand and the net loss from continuing operations for the Company would have been NT$944,947 thousand.

Analysis cash flows on acquisition:	
Net cash acquired with the subsidiary	$ 154,168
Cash paid for acquisition	(1,492,320)
Net cash flow on acquisition	$ (1,338,152)

The identifiable net assets recognized in the financial statements as of December 31, 2019 was estimated by preliminary assessment. The Company has sought individual evaluation of assets, but no conclusion has been reached as of the date the financial statement was issued. The aforementioned fair value assessment was completed in July 2020. The result of this assessment showed that the fair value of the net assets at the acquisition date was NT$1,836,897 thousand, an increase of NT$1,034,210 thousand from the provisional amount.

The value adjustment of acquisition date as follows:

	Preliminary fair value	Difference adjustment	Final fair value
Inventory	$ 1,516,432	$ 70,513	$1,586,945
Intangible assets	1,233	963,697	964,930

Acquisition of 3Y Universal Co., Ltd

The company is planning for long-term business development and grasping the future demand of major customers, and acquired 28% of the voting shares through its subsidiary JD United (BVI) Limited on January 29, 2021. With the original shares of 23% held by the Company, the total shareholding reached more than half of the equity and subsidiary therefore have been controlled by the Company.

The Company has measured the non-controlling interest of 3Y Universal Co., Ltd at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of 3Y Company as of the acquisition date are as follows:

	Fair value recognized on the acquisition date
Assets	
Cash and cash equivalents	$ 99,066
Accounts receivables	69,447
Other receivables	35
Inventories	49,115
Other current assets	76
	217,739
Liabilities	
Accounts payable	(23,795)
Other payables	(67,667)
	(91,462)
Fair value of identifiable net assets	$ 126,277

	Amount
Goodwill of 3Y Company is as follows:	
Acquisition consideration	$ 125,462
Add: the fair value of the original 23% shareholding of the acqusition date	103,058
Add: non-controlling interests (49% of identifiable net assets at fair value)	61,337
Less: identifiable net assets at fair value	(126,277)
Goodwill	$ 163,580

From January 29, 2021 to June 30, 2021, 3Y Company has contributed NT$55,335 thousand of revenue and NT$394 thousand of net profit before tax to the Company. If the combination had taken place at the beginning of the year, revenue from the continuing operations would have been NT$4,367,837 thousand and the net loss from continuing operations for the Company would have been NT$(243,127) thousand.

Analysis cash flows on acquisition:	
Net cash acquired with the subsidiary	$ 99,066
Cash paid for acquisition	(124,748)
Net cash flow on acquisition	$ (25,682)

The aforementioned fair value assessment was completed in 2021. The result of this assessment showed that the fair value of the net assets at the acquisition date was NT$126,277 thousand.

(26) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	December 31, 2021	December 31, 2020
Ten Win Business International Co., Ltd. and subsidiaries	Republic of China	10.42%	21.65%
Nanjing USA, Inc. and subsidiaries	United States	18.35%	-
ADNY Group, Inc. and subsidiaries	United States	-	38.37%
3Y Universal Co., Ltd. and subsidiaries	Hong Kong	49.00%	-

	December 31, 2021	December 31, 2020
Accumulated balances of material non-controlling interest:		
Ten Win Business International Co., Ltd. and subsidiaries	$ 110,539	$ 51,929
Nanjing USA, Inc. and subsidiaries	404,824	-
ADNY Group, Inc. and subsidiaries	-	575,819
3Y Universal Co., Ltd. and subsidiaries	62,405	-
Total	$ 577,768	$ 627,748

Gain (loss) allocated to material non-controlling interest:

	For the year ended December 31, 2021	2020
Ten Win Business International Co., Ltd. and subsidiaries	$ (4,361)	$ (8,700)
Nanjing USA, Inc. and subsidiaries	(4,933)	-
ADNY Group, Inc. and subsidiaries	-	25,519
3Y Universal Co., Ltd. and subsidiaries	2,420	-
Total	$ (6,874)	$ 16,819

For the year ended December 31, 2021 and 2020, the Company did not pay dividends to material non-controlling interest.

The summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss:

	For the year ended December 31, 2021		
	Nanjing USA, INC. and subsidiaries.	Ten Win Business International Co., Ltd. and subsidiaries.	3Y Universal Co., Ltd. and subsidiaries.
Operating revenue	$ 5,219,540	$ 4,120	$ 734,842
Gain (loss) from continuing operations	$ 29,654	$ (20,755)	$ 11,529
Total comprehensive income	$ 29,654	$ (20,755)	$ 11,529

	For the year ended December 31, 2020		
	Adny Group, Inc. and subsidiaries	Ten Win Business International Co., Ltd. and subsidiaries.	Chuwa Wool Industry Co., (Taiwan) Ltd.
Operating revenue	$ 4,525,187	$ 3,435	$ -
Gain (loss) from continuing operations	$ 159,533	$ (17,008)	$ -
Total comprehensive income	$ 159,533	$ (17,008)	$ -

Summarized information of financial position:

Ten Win Business International Co., Ltd. and subsidiaries

	December 31, 2021	December 31, 2020
Current assets	$ 2,913	$ 6,922
Non-current assets	344,988	344,753
Current liabilities	36,832	472
Non-current liabilities	720	361,724

Nanjing USA, INC. and subsidiaries

	December 31, 2021	December 31, 2020
Current assets	$ 1,096,666	$ -
Non-current assets	27,619	-
Current liabilities	676,558	-
Non-current liabilities	13,757	-

ADNY Group, Inc. and subsidiaries

	December 31, 2021	December 31, 2020
Current assets	$ -	$ 1,087,774
Non-current assets	-	41,678
Current liabilities	-	544,023
Non-current liabilities	-	21,003

3Y Universal Co., Ltd. and subsidiaries

	December 31, 2021
Current assets	$ 136,684
Non-current assets	76
Current liabilities	9,410
Non-current liabilities	-

Summarized cash flow information:

Ten Win Business International Co., Ltd.

	For the year ended December 31	
	2021	2020
Operating activities	$ (875)	$ 3,263
Investing activities	(3,000)	-
Financing activities	-	-
Net decrease in cash and cash equivalents	$ (3,875)	$ 3,263

Nanjing USA, INC. and subsidiaries

	For the year ended December 31	
	2021	2020
Operating activities	$ 538,869	$ -
Investing activities	-	-
Financing activities	(407,820)	-
Exchange differences	-	-
Net decrease in cash and cash equivalents	$ 131,049	$ -

Adny Group, Inc. and subsidiaries

	For the year ended December 31	
	2021	2020
Operating activities	$ -	$ 292,722
Investing activities	-	(228)
Financing activities	-	(317,309)
Exchange differences	-	-
Net decrease in cash and cash equivalents	$ -	$ (24,815)

3Y Universal Co., Ltd. and subsidiaries

	For the year ended December 31	
	2021	2020
Operating activities	$ (71,455)	$ -
Investing activities	(80)	-
Financing activities	-	-
Exchange differences	-	-
Net decrease in cash and cash equivalents	$ (71,536)	$ -

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
JD United Holdings Limited	Substantive related party
3Y Universal Co., Ltd.	Associate (Note 4)
Nanjing USA International Trading Co., Ltd	Substantive related party
Max Zipper Co., Ltd.	Substantive related party(Note 1)
Shanghai Up Garment Co., Ltd.	Substantive related party(Note 2)
Well& David Corp.	Substantive related party(Note 3)
Newtech Textile Technology company Ltd.	Substantive related party
Newtech Textile (HK) Limited.	Substantive related party
Wei Hao Investment Limited	Director of the Company
HGQ Co., Ltd.	Substantive related party(Note 2)
Heng Shing Li Feng Co., Ltd.	Key management with the Company
HNY Investment Co., Ltd.	Key management with the Company
Zijinniu Investment Limited	Key management with the Company
Mr. Sun, Yang	General Manager of the Company
Mr. Hsu, Chung-Jung	CFO of the Company
Mr. Yang, Ying-Tsu	General Manager of a subsidiary of the Company
Mr. Chen, Shih-Hsiu	President of the Company(Note5)
Mr. Chien, Fei	Director of a subsidiary of the Company
Mr. Ji, Yao	Director of a subsidiary of the Company
Mr. Wu, Bin	Substantive related party
Mr. Lou, Xiao-Hua	Manager 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 August 14, 2020.
Note 3: A related party from July 1, 2020.
Note 4: The Company took control of the company on January 29, 2021.
Note 5: The director was removed on November 21, 2021.

Significant transactions with the related parties

(1) Sales Revenue

	For the years ended December 31	
	2021	2020
Substantive related party		
3Y UNIVERSAL Co., Ltd.	$ 13,106	$ 319,529
Well& David Corp.	-	3
Total	$ 13,106	$ 319,532

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

(2) Purchases

	For the years ended December 31	
	2021	2020
Substantive related party		
Nanjing USA International Trading Co., Ltd.	$ (157)	$ 718,411
Well& David Corp.	26	-
Shanghai Up Garment Co., Ltd.	477,609	142,444
Max Zipper Co,. Ltd.	-	4,905
Total	$ 477,478	$ 865,760

(3) Rental income and expense

	For the years ended December 31	
	2021	2020
Substantive related party		
Other related parties		
Wei Hao Investment Limited	$ 34	$ 34
Heng Shing Li Feng Co., Ltd.	34	34
Xingniuyi Investment Limited	34	34
Zijinniu Investment Limited	34	34
Total	$ 136	$ 136
Substantive related party		
Nanjing USA International Trading Co., Ltd	$ (2,153)	$ -

Rental income from related parties are collected monthly based on the market rates.

(4) Accounts receivable due from related parties

	December 31, 2021	December 31, 2020
Substantive related party		
3Y Universal Co., Ltd.	$ -	$ 47,595

(5) Other receivables due from related parties

	December 31, 2021	December 31, 2020
Key management with the Company		
Mr. Sun, Yang	$ 1,412	$ 336
Substantive related party		
Nanjing USA International Trading Co., Ltd	-	165,256
Newtech Textile (HK) Limited	39,835	47,385
Newtech Textile Technology company Ltd.	-	7,151
Total	$ 41,247	$ 220,128

(6) Prepayments

	December 31, 2021	December 31, 2020
Substantive related party		
Shanghai Up Garment Co., Ltd.	$ 32,131	$ -

(7) Accounts payable to related parties

	December 31, 2021	December 31, 2020
Substantive related party		
Nanjing USA International Trading Co., Ltd	$ -	$ 183,206
Shanghai Up Garment Co., Ltd.	-	51,829
Total	$ -	$ 235,035

(8) Amounts owed to related parties (recognized as other payables to related parties)

	For the years ended December 31, 2021				
	Maximum balance	Ending balance	Interest rate	Interest payable	Interest expenses
JD United Holdings Limited	$ 80,272	$ 56,744	5.00%	$ 2,116	$ 2,116

	For the years ended December 31, 2020				
	Maximum balance	Ending balance	Interest rate	Interest payable	Interest expenses
JD United Holdings Limited	$ 1,588	$ -	5.00%	$ -	$ -

(9) Other payables to related parties

	December 31, 2021	December 31, 2020
Substantive related party		
HGQ Co., Ltd.	$ 38,515	$ -

(10) Payment for Assets

		For the year ended December 31	
	Item	2021	2020
Nanjing USA International Trading Co., Ltd	Transportation equipment, office facilities and equipment	$ 2,424	$ -
Newtech Textile (HK) Limited	Equipment	48,028	-
Newtech Textile Technology company Ltd.	Equipment	20,301	-
Total		$ 70,753	$ -

(11) Proceed from disposal of Assets

	Item		For the year ended December 31	
			2021	2020
Shanghai Up Garment Co., Ltd.	Transportation equipment	Transaction amount	$ -	$ 860
		Less: Book amount	-	(869)
		Disposition (profit) and loss	$ -	$ (9)

(12) Equity purchase

	Type of stocks	Number of shares	For the year 2020
Substantive related party			
Mr. Chen, Shih-Hsiu	Type B preferred stock	350 thousand	$ 3,500
Mr. Chen, Shih-Hsiu	Type C preferred stock	1,428 thousand	14,280
			$ 17,780

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

	December 31,2020		December 31,2019	
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

(14) Key management personnel compensation

	For the years ended December 31	
	2021	2020
Short-term employee benefits	$ 36,673	$ 39,604
Post-employment benefits	385	446
Total	$ 37,058	$ 40,050

(15) 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.

(16) Please refer to Note 13 Attachment 2 for more information about endorsement and guarantee provided to related parties.

(17) On July 2, 2021, the Company paid US$8,320 thousand (approximately NT$232,627 thousand) to repurchase treasury shares from Mr. Lou, Xiao-Hua and then canceled.

8. PLEDGED ASSETS

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

	Carrying amount		
Items	December 31 2021	December 31 2020	Secured liabilities
Current financial assets measured at amortized cost	$ 736,943	$ 733,267	Long and short-term loans and customs duty guarantee
Accounts receivable	1,756,815	1,555,772	Short-term loans
Property, plant and equipment-land	775,035	84,267	Long and short-term loans
Property, plant and equipment-buildings	15,851	17,363	Short-term loans
Right-of-use assets (land use rights)	8,120	8,394	Short-term loans
Refundable deposits	10,500	-	Long-term loans
Total	$ 3,303,264	$ 2,399,063	

The Company provided shares of subsidiaries, including Roo Hsing Garment Co., Ltd., JD United (BVI) Limited, Tooku Holdings Limited, MF Holding Co., Ltd., Faith in Blue (USA) Corporation, ADNY Group, Inc. and Nanjing USA, Inc., as collateral for short-term loans as of December 31, 2021 and 2020, among which ADNY Group, Inc. had released the pledge on September 30, 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, and some subsidiaries located in China had halted work and some have resumed work at the end of March 2020, and have been communicating with customers and suppliers to adjust the shipping schedule. 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.

(2) Resolved by the Company's Board of Directors on January 7, 2022, the Company disposed of the land of Roo Hsing Garment Co., Ltd.(company's subsidiary) for a total transaction amount of US$20,500 thousand, with an estimated gain of US$18,000 thousand from the disposal, in order to revitalize the assets and make more efficient use of the Company's resources.

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	$ -	$ -
Financial assets measured at amortized cost (Note 1)	5,124,793	6,766,095
Total	$ 5,124,793	$ 6,766,095

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities measured at amortized cost:		
Short-term loans	$ 5,730,137	$ 6,282,800
Notes payable	246,219	265,439
Accounts payable (including related parties)	2,164,397	2,444,168
Other payables (including related parties)	642,777	751,560
Long-term loans (including current portion)	904,207	304,302
Preferred stock liabilities	30,271	29,372
Lease obligations payable (including current portion)	415,973	499,843
Guarantee deposits received	3,266	1,298
Total	$ 10,137,247	$ 10,578,782

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), 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 interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

<u>Foreign currency risk</u>

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 year ended December 31, 2021 and 2020 are increased/decreased by NT$37,496 thousand and NT$1,339 thousand, respectively.

B. When NTD strengthens/weakens against CNY by 1%, the loss for the year ended December 31, 2021 and 2020 are increased/decreased by NT$17,222 thousand and NT$33,405 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 year ended December 31, 2021 and 2020 to increased/decreased by NT$237 thousand and NT$284 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified as financial assets at fair value through profit or loss. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, an increase/decrease of 1% in the price of the listed equity securities classified as financial assets at fair value through profit or loss could decrease/increase the Company's loss for the year ended December 31, 2021 and 2020 by NT$ 0 thousand and NT$ 0 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a 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 77% and 78% 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	$5,730,137	$ -	$ -	$ -	$5,730,137
Notes payable	246,219	-	-	-	246,219
Accounts payable (include related parties)	2,164,397	-	-	-	2,164,397
Other payables (include related parties)	642,777	-	-	-	642,777
Provisions – current	23,818	-	-	-	23,818
Lease liabilities (Note)	96,328	159,552	96,786	63,307	415,973
Long-term loans	391,938	512,269	-	-	904,207
Preferred stock liabilities	30,271	-	-	-	30,271

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2020					
Short-term loans	$6,282,800	$ -	$ -	$ -	$6,282,800
Notes payable	265,439	-	-	-	265,439
Accounts payable (include related parties)	2,444,168	-	-	-	2,444,168
Other payables (include related parties)	751,560	-	-	-	751,560
Provisions – current	35,131	-	-	-	35,131
Lease liabilities (Note)	133,578	214,323	127,868	24,074	499,843
Long-term loans	177,845	126,457	-	-	304,302
Preferred stock liabilities	29,372	-	-	-	29,372

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	Long-term loans	Leases liabilities	Other payables to related parties	Total liabilities from financing activities
As of January 1, 2021	$6,282,800	$ 304,302	$ 499,843	$ -	$ 7,086,945
Cash flows	(433,752)	605,527	(149,330)	97,375	119,820
Non-cash changes	-	-	84,348	-	84,348
Foreign exchange movement	(118,911)	(5,622)	(18,888)	-	(143,421)
As of December 31, 2021	$5,730,137	$ 904,207	$ 415,973	$ 97,375	$ 7,147,692

Reconciliation of liabilities for the year ended December 31, 2020:

	Short-term loans	Long-term loans	Leases liabilities	Other payables to related parties	Total liabilities from financing activities
As of January 1, 2020	$7,083,657	$ 338,567	$ 761,734	$ 1,881	$ 8,185,839
Cash flows	(610,971)	1,621	(189,379)	(1,881)	(800,610)
Non-cash changes	-	(21,095)	(47,499)	-	(68,594)
Foreign exchange movement	(189,886)	(14,791)	(25,013)	-	(229,690)
As of December 31, 2020	$6,282,800	$ 304,302	$ 499,843	$ -	$ 7,086,945

(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, note and accounts receivable, refundable deposits paid, accounts payable, short term loans, long term loans (include period year) and guarantee deposits received whose carrying amount approximate their fair value.

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				
Fund	$ -	$ -	$ -	$ -

	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				
Fund	$ -	$ -	$ -	$ -

Transfer between Level 1 and Level 2 during the period

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

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 and 2020

None.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ -	$ -
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Lease liabilities	$ -	$ -	$ -	$ -

	As of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ -	$ -
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Lease liabilities	$ -	$ -	$ -	$ -

(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	$ 98,998	27.68	$ 2,740,259
CNY	156,229	4.34	678,035
Financial liabilities			
Monetary items:			
USD	234,460	27.68	6,489,852
CNY	553,041	4.34	2,400,200

(Unit: thousands)

	As of December 31, 2020		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$ 182,563	28.48	$ 5,199,394
CNY	241,626	4.38	1,058,322
Financial liabilities			
Monetary items:			
USD	187,264	28.48	5,333,279
CNY	1,004,303	4.38	4,398,847

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

For the year ended December 31, 2021 and 2020, foreign exchange gain (loss) were NT$(162,109) thousand and NT$(198,104) 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 17 October 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	$10,608,937	$11,045,946
Total assets	$19,128,542	$21,839,702
Debt ratio	55%	51%

(13) Information of financial assets transferred

Transferred financial assets that are partially-derecognization in their entirety

The Company entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Company has transferred the right on those non-recourse factoring, and in accordance with the contract, the Company shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognized financial assets. The related information is as follows:

As of December 31, 2021

Transferee	Transferred amount	Factoring amount	Advanced amount	Interest rate range	Credit
HSBC	$ 1,365,174	$ 1,365,174	$ 1,185,683	1.0237%	$ -

As of December 31, 2020

Transferee	Transferred amount	Factoring amount	Advanced amount	Interest rate range	Credit
Wells Fargo Bank, N.A.	$ 934,366	$ 934,366	$ 447,134	2.733%	$ -

As of December 31, 2021 and 2020, the Company did not receive from bank. Accounts receivable factoring has transferred to other receivables, please refer to Note 6(4).

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, 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.

14. SEGMENT INFORMATION

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

(1) Production and sales department: the department manufactures and trades clothing and wool related products.
(2) Lease department: the department leases real estate.
(3) Trade marketing department: the department is responsible for the sales of wholesale and distribution and retail.

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

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

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

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

	For the year ended December 31, 2021					
	Production and sales department	Lease department	Trade marketing department	Subtotal	Adjustment and elimination	Consolidated
Revenue						
External customer	$ 11,137,861	$ 4,120	$ 5,345,268	$ 16,487,250	$ -	$ 16,487,250
Inter-segment	4,675,551	-	74,134	4,749,685	(4,749,685)	-
Total revenue	$ 15,813,413	$ 4,120	$ 5,419,402	$ 21,236,935	$ (4,749,685)	$ 16,487,250
Segment (loss) profit	$(2,856,077)	$ (20,755)	$ (689,746)	$(3,566,578)	$ 1,626,996	$ (1,939,582)

	For the year ended December 31, 2020					
	Production and sales department	Lease department	Trade marketing department	Subtotal	Adjustment and elimination	Consolidated
Revenue						
External customer	$12,511,941	$ 3,435	$ 4,562,456	$17,077,832	$ -	$17,077,832
Inter-segment	4,170,193	-	101,942	4,272,135	(4,272,135)	-
Total revenue	$16,682,134	$ 3,435	$ 4,664,398	$21,349,967	$(4,272,135)	$17,077,832
Segment (loss) profit	$ (196,507)	$ (17,008)	$ 72,691	$ (140,824)	$ 38,496	$ (102,328)

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

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

(3) Geographical information

Revenue from external customers:

	For the years ended December 31	
	2021	2020
America	$12,255,406	$12,422,259
Europe	651,956	1,100,080
Asia	3,101,443	2,433,646
Others	478,445	1,121,847
Total	$16,487,250	$17,077,832

The revenue information above is based on the location of the customer.
Non-current assets:

	As of December 31	
	2021	2020
America	$ 4,984,578	$ 5,345,210
China	2,606,697	2,615,429
Taiwan	1,138,125	1,228,548
Cambodia	320,736	382,197
Myanmar	101,205	161,027
Managua	125,262	133,816
El Salvatore	107,164	115,248
Nicaragua	9,488	14,919
Total	$ 9,393,255	$ 9,996,394

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

(4) Information about major customer

	For the years ended December 31	
	2021	2020
Customer A from China	$ 2,686,243	2,671,190
Customer C from China	2,276,342	1,603,602
Customer D from China	2,278,972	1,573,520
Customer F from America	5,174,269	4,410,015
Customer G from China	615,261	1,948,784

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. 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%	
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%	

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)	
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%
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%

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.	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%
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%

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	Transaction Detail: Amount	Transaction Detail: Term	Transaction Detail: As a percentage of consolidated assets or revenues (Note 3)
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%
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%

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	Relationship (Note 2)	Transaction Detail			
		Name		Account	Amount	Term	As a percentage of consolidated assets or revenues (Note 3)
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.	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 above investments were eliminated as consolidated financial statements were prepared.

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.