TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2023 AND 2022

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

INDEPENDENT AUDITORS’ REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Spinning Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Tainan Spinning Co., Ltd. and its subsidiaries (the “Group”) as at June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements and related information disclosed in Note 13 of certain insignificant consolidated subsidiaries as of and for the six-month periods ended June 30, 2023 and 2022 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT$8,852,244 thousand and NT$7,122,072 thousand, constituting 17.68% and 14.10% of the consolidated total assets as at June 30, 2023 and 2022, respectively, total liabilities amounted to NT$1,968,197 thousand and NT$1,985,975 thousand, constituting 8.66% and 8.85% of the consolidated total liabilities as at June 30, 2023 and 2022, respectively, and the total comprehensive income amounted to NT$169,323 thousand, (NT$80,773) thousand, NT$369,303 thousand, and NT$154,031 thousand, constituting 51.39%, (33.85%), 1,831.5% and 10.75% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively. As explained in Note 6(8), the financial statements of certain investments accounted for under equity method as of and for the three-month and six-month periods ended June 30, 2023 and 2022 were not reviewed by independent auditors. The share of profit of associates and joint ventures accounted for under equity method amounted to NT$9,811 thousand, (NT$2,927) thousand, NT$13,555 thousand, and (NT$1,294) thousand, constituting 2.98%, (1.23%), 67.22% and (0.09%) of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2023 and 2022, respectively, and the balance of these investments accounted for under equity method amounted to NT$301,153 thousand and NT$195,579 thousand, constituting 0.60% and 0.39% of the consolidated total assets as at June 30, 2023 and 2022, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and certain investments accounted for under equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Lin Yung-Chih

Independent Accountants

Lin Tzu-Shu

PricewaterhouseCoopers, Taiwan
Republic of China
August 8, 2023

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

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	June 30, 2022 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 5,027,413	10	$ 6,218,881	13	$ 5,335,584	11
1110	Financial assets at fair value through profit or loss - current	6(2)	68,367	-	75,338	-	68,148	-
1136	Financial assets at amortised cost - current	6(1)(3) and 8	739,531	2	213,000	1	213,000	1
1150	Notes receivable, net	6(4)	124,725	-	242,728	1	199,315	-
1170	Accounts receivable, net	6(4)(5) and 12	1,526,626	3	1,201,742	2	1,611,846	3
1200	Other receivables	6(8) and 7	225,235	-	161,521	-	210,059	1
1220	Current income tax assets	6(30)	61,597	-	125,950	-	31,005	-
130X	Inventories	6(6)	5,692,951	11	5,926,765	12	6,763,929	13
1410	Prepayments		297,810	1	169,348	-	166,398	-
11XX	**Total current assets**		13,764,255	27	14,335,273	29	14,599,284	29
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	307,005	1	289,546	1	299,594	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	4,694,932	9	4,284,374	8	4,637,465	9
1550	Investments accounted for under equity method	6(8) and 8	4,077,124	8	4,214,625	8	4,005,078	8
1600	Property, plant and equipment	6(9)(13) and 8	20,458,875	41	20,577,892	41	20,892,213	41
1755	Right-of-use assets	6(10)	450,720	1	456,029	1	459,526	1
1760	Investment property, net	6(11)(12)(13) and 8	4,951,424	10	4,965,609	10	4,980,030	10
1780	Intangible assets		703	-	886	-	386	-
1840	Deferred income tax assets	6(30)	255,577	1	45,632	-	33,071	-
1915	Prepayments for equipment	6(9)	923,551	2	813,324	2	523,206	1
1920	Guarantee deposits paid		16,905	-	16,870	-	18,059	-
1975	Net defined benefit asset - non-current	6(18)	168,779	-	162,096	-	72,267	-
1990	Other non-current assets		4,868	-	5,054	-	5,268	-
15XX	**Total non-current assets**		36,310,463	73	35,831,937	71	35,926,163	71
1XXX	**Total assets**		$ 50,074,718	100	$ 50,167,210	100	$ 50,525,447	100

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TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	June 30, 2022 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(14) and 8	$ 6,598,144	13	$ 5,766,122	11	$ 4,838,116	10
2110	Short-term notes and bills payable	6(15)	840,000	2	350,000	1	100,000	-
2130	Current contract liabilities	6(23)	567,458	1	302,702	1	512,597	1
2150	Notes payable		8,604	-	60,508	-	9,840	-
2170	Accounts payable		1,851,649	4	1,921,832	4	1,754,331	3
2200	Other payables	6(16)(21)	1,389,418	3	1,038,103	2	2,424,386	5
2230	Current income tax liabilities	6(30)	93,760	-	180,130	-	139,062	-
2280	Lease liabilities - current	6(10)	15,402	-	16,073	-	19,777	-
2310	Advance receipts		350	-	350	-	350	-
2320	Long-term liabilities, current portion	6(17) and 8	1,093,651	2	943,651	2	913,095	2
2399	Other current liabilities		2,367	-	2,200	-	1,982	-
21XX	**Total current liabilities**		12,460,803	25	10,581,671	21	10,713,536	21
	Non-current liabilities							
2540	Long-term borrowings	6(17) and 8	5,737,683	11	7,084,508	14	7,026,333	14
2570	Deferred income tax liabilities	6(30)	4,113,236	8	4,177,764	8	4,293,056	8
2580	Lease liabilities - non-current	6(10)	327,706	1	329,409	1	326,627	1
2645	Guarantee deposits received		78,816	-	76,397	-	72,922	-
2670	Other non-current liabilities		10,486	-	10,486	-	10,486	-
25XX	**Total non-current liabilities**		10,267,927	20	11,678,564	23	11,729,424	23
2XXX	**Total liabilities**		22,728,730	45	22,260,235	44	22,442,960	44
	Equity attributable to owners of parent							
	Share capital							
3110	Common stock	6(19)	16,568,159	33	16,568,159	33	16,568,159	33
3200	Capital surplus	6(20)	72,590	-	72,590	-	64,780	-
	Retained earnings	6(7)(21)(22)						
3310	Legal reserve		3,011,013	6	2,886,349	5	2,886,349	6
3320	Special reserve		4,391,668	9	4,391,668	9	4,391,668	9
3350	Unappropriated retained earnings		2,688,690	5	3,940,103	8	3,869,797	8
3400	Other equity interest	6(7)(8)(22)	284,952	1	(244,340)	-	28,067	(1)
31XX	**Equity attributable to owners of the parent**		27,017,072	54	27,614,529	55	27,808,820	55
36XX	Non-controlling interest		328,916	1	292,446	1	273,667	1
3XXX	**Total equity**		27,345,988	55	27,906,975	56	28,082,487	56
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 50,074,718	100	$ 50,167,210	100	$ 50,525,447	100

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

	Items	Notes	For the three-month periods ended June 30, 2023 AMOUNT	%	2022 AMOUNT	%	For the six-month periods ended June 30, 2023 AMOUNT	%	2022 AMOUNT	%
4000	Operating revenue	6(11)(12)(23) and 7	$ 5,029,275	100	$ 5,599,257	100	$ 10,482,586	100	$ 11,390,253	100
5000	Operating costs	6(6)(10)(12)(18)(28)(29)	(4,866,445)	(97)	(4,647,281)	(83)	(10,388,803)	(99)	(9,246,753)	(81)
5900	Net operating margin		162,830	3	951,976	17	93,783	1	2,143,500	19
	Operating expenses	6(10)(18)(28)(29) and 7								
6100	Selling expenses		(254,869)	(5)	(385,696)	(7)	(523,416)	(5)	(765,752)	(7)
6200	General and administrative expenses		(171,972)	(4)	(214,969)	(4)	(373,918)	(4)	(438,378)	(4)
6300	Research and development expenses		(10,565)	-	(13,564)	-	(18,776)	-	(22,508)	-
6000	Total operating expenses		(437,406)	(9)	(614,229)	(11)	(916,110)	(9)	(1,226,638)	(11)
6900	Operating (loss) profit		(274,576)	(6)	337,747	6	(822,327)	(8)	916,862	8
	Non-operating income and expenses									
7100	Interest income	6(3)(24)	39,684	1	6,611	-	71,441	1	8,790	-
7010	Other income	6(25) and 7	96,518	2	115,164	2	156,314	2	280,540	3
7020	Other gains and losses	6(2)(13)(26) and 12	28,601	1	102,829	2	32,614	-	215,388	2
7050	Finance costs	6(5)(9)(10)(27)	(99,303)	(2)	(44,296)	(1)	(188,149)	(2)	(80,169)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	70,846	1	95,918	2	125,764	1	253,567	2
7000	Total non-operating income and expenses		136,346	3	276,226	5	197,984	2	678,116	6
7900	**(Loss) profit before income tax**		(138,230)	(3)	613,973	11	(624,343)	(6)	1,594,978	14
7950	Income tax benefit (expense)	6(30)	86,319	2	(185,075)	(3)	110,243	1	(398,172)	(3)
8200	**(Loss) profit for the period**		($ 51,911)	(1)	$ 428,898	8	($ 514,100)	(5)	$ 1,196,806	11

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TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

	Items	Notes	For the three-month periods ended June 30, 2023 AMOUNT	%	2022 AMOUNT	%	For the six-month periods ended June 30, 2023 AMOUNT	%	2022 AMOUNT	%
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) on valuation of financial assets at fair through other comprehensive income	6(7)(22)	$ 197,000	4	($ 397,425)	(7)	$ 396,936	4	($ 264,122)	(2)
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(8)(22)	22,436	1	25,708	-	24,659	-	22,614	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6(22)	165,690	3	176,234	3	120,723	1	409,266	3
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(8)(22)	(3,742)	-	5,214	-	(8,054)	-	68,045	1
8300	**Other comprehensive income (loss) for the period**		$ 381,384	8	($ 190,269)	(4)	$ 534,264	5	$ 235,803	2
8500	**Total comprehensive income for the period**		$ 329,473	7	$ 238,629	4	$ 20,164	-	$ 1,432,609	13
	(Loss) profit attributable to:									
8610	Owners of the parent		($ 72,730)	(1)	$ 418,417	8	($ 546,863)	(5)	$ 1,176,652	11
8620	Non-controlling interest		20,819	-	10,481	-	32,763	-	20,154	-
			($ 51,911)	(1)	$ 428,898	8	($ 514,100)	(5)	$ 1,196,806	11
	Comprehensive (loss) income attributable to:									
8710	Owners of the parent		$ 302,911	6	$ 222,999	4	($ 17,571)	-	$ 1,399,697	13
8720	Non-controlling interest		26,562	1	15,630	-	37,735	-	32,912	-
			$ 329,473	7	$ 238,629	4	$ 20,164	-	$ 1,432,609	13
	(Loss) earnings per share (in dollars)	6(31)								
9750	Basic		($ 0.04)		$ 0.25		($ 0.33)		$ 0.71	
9850	Diluted		($ 0.04)		$ 0.25		($ 0.33)		$ 0.71	

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
			Capital Surplus			Retained Earnings			Other Equity Interest				
	Notes	Share capital - common stock	Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Others	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2022													
Balance at January 1, 2022		$ 16,568,159	$ 35,983	$ 16,471	$ 12,326	$ 2,591,383	$ 4,391,668	$ 4,313,883	($ 1,185,712)	$ 990,415	$ 27,734,576	$ 240,755	$ 27,975,331
Net income for the six-month period ended June 30, 2022		-	-	-	-	-	-	1,176,652	-	-	1,176,652	20,154	1,196,806
Other comprehensive income (loss) for the six-month period ended June 30, 2022	6(22)	-	-	-	-	-	-	-	464,553	(241,508)	223,045	12,758	235,803
Total comprehensive income		-	-	-	-	-	-	1,176,652	464,553	(241,508)	1,399,697	32,912	1,432,609
Distribution of 2021 net income													
Legal reserve		-	-	-	-	294,966	-	(294,966)	-	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	-	(1,325,453)	-	-	(1,325,453)	-	(1,325,453)
Adjustment for change in other equity interest for investee company	6(7)(22)	-	-	-	-	-	-	(319)	-	319	-	-	-
Balance at June 30, 2022		$ 16,568,159	$ 35,983	$ 16,471	$ 12,326	$ 2,886,349	$ 4,391,668	$ 3,869,797	($ 721,159)	$ 749,226	$ 27,808,820	$ 273,667	$ 28,082,487
For the six-month period ended June 30, 2023													
Balance at January 1, 2023		$ 16,568,159	$ 35,983	$ 16,471	$ 20,136	$ 2,886,349	$ 4,391,668	$ 3,940,103	($ 627,132)	$ 382,792	$ 27,614,529	$ 292,446	$ 27,906,975
Net (loss) income for the six-month period ended June 30, 2023		-	-	-	-	-	-	(546,863)	-	-	(546,863)	32,763	(514,100)
Other comprehensive income for the six-month period ended June 30, 2023	6(22)	-	-	-	-	-	-	-	107,709	421,583	529,292	4,972	534,264
Total comprehensive (loss) income for the six-month period ended June 30, 2023		-	-	-	-	-	-	(546,863)	107,709	421,583	(17,571)	37,735	20,164
Distribution of 2022 net income													
Legal reserve		-	-	-	-	124,664	-	(124,664)	-	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	-	(579,886)	-	-	(579,886)	-	(579,886)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(1,265)	(1,265)
Balance at June 30, 2023		$ 16,568,159	$ 35,983	$ 16,471	$ 20,136	$ 3,011,013	$ 4,391,668	$ 2,688,690	($ 519,423)	$ 804,375	$ 27,017,072	$ 328,916	$ 27,345,988

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the six-month periods ended June 30, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 624,343)	$ 1,594,978
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial assets at fair value through profit or loss		(7,795)	28,126
Reversal of allowance for inventory market price decline	6(6)	(40,341)	(23,152)
Share of profit of associates and joint ventures accounted for under equity method	6(8)	(125,764)	(253,567)
Depreciation	6(9)(10)(12)(28)	518,606	507,409
(Gain) loss on disposal of property, plant and equipment	6(26)	(1,620)	2,355
Reversal of impairment loss on non-financial assets	6(9)(13)(26)	-	(11,013)
Amortisation	6(28)	183	469
Interest income	6(24)	(71,441)	(8,790)
Dividend income	6(7)(25)	(44,413)	(69,388)
Interest expense	6(27)	188,149	80,169
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(2,121)	-
Notes receivable		118,003	(8,831)
Accounts receivable		(324,884)	37,964
Other receivables		(31,304)	(68,946)
Inventories		240,879	(1,094,072)
Prepayments		(128,462)	35,400
Net defined benefit assets - non-current		(6,683)	(6,085)
Changes in operating liabilities			
Current contract liabilities		264,756	(106,827)
Notes payable		(51,904)	(69,757)
Accounts payable		(70,183)	(26,509)
Other payables		(208,932)	26,295
Other current liabilities		167	226
Cash (outflow) inflow generated from operations		(409,447)	566,454
Interest received		66,375	6,803
Dividends received	6(7)(8)(32)	296,939	984,083
Interest paid		(184,152)	(79,018)
Income tax paid		(186,247)	(26,003)
Net cash flows (used in) from operating activities		(416,532)	1,452,319

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TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the six-month periods ended June 30, 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in financial assets at amortised cost		($ 526,531)	$ 472,087
Acquisition of financial assets at fair value through profit or loss-non-current		(572)	-
Acquisition of financial assets at fair value through other comprehensive income - non-current		(11,813)	(21,642)
Distribution from liquidation of financial assets at fair value through other comprehensive income	6(7)	-	33
Cash paid for acquisition of property, plant and equipment	6(32)	(202,625)	(189,150)
Interest paid for acquisition of property, plant and equipment	6(9)(27)(32)	(3,003)	(327)
Proceeds from disposal of property, plant and equipment		5,713	12,998
Acquisition of intangible assets		-	(168)
Increase in prepayments for equipment		(232,943)	(163,317)
Increase in guarantee deposits paid		(35)	(4,026)
Decrease in other non-current assets		186	258
Net cash flows (used in) from investing activities		(971,623)	106,746
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(33)	12,079,315	11,178,991
Repayments of short-term borrowings	6(33)	(11,291,475)	(11,598,934)
Decrease (increase) in short-term notes and bills payable	6(33)	490,000	(240,000)
Repayment of lease principal	6(33)	(7,545)	(6,992)
Proceeds from long-term borrowings	6(33)	7,000,000	8,638,000
Repayments of long-term borrowings	6(33)	(8,196,825)	(9,149,524)
Increase in guarantee deposits received	6(33)	2,419	2,492
Net cash flows from (used in) financing activities		75,889	(1,175,967)
Effect of foreign exchange rate changes on cash and cash equivalents		120,798	321,694
Net (decrease) increase in cash and cash equivalents		(1,191,468)	704,792
Cash and cash equivalents at beginning of period	6(1)	6,218,881	4,630,792
Cash and cash equivalents at end of period	6(1)	$ 5,027,413	$ 5,335,584

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Tainan Spinning Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China and other relevant laws and regulations in March 1955. The Company and its subsidiaries (the "Group") are primarily engaged in manufacturing, processing, sale of textile products, woven textile products and synthetic fiber materials, construction of public housing, the rental and sale of commercial property and operation of department store.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since October 1989.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
Amendments to IAS 12, 'International tax reform-pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2023	December 31, 2022	June 30, 2022	Description
Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Manufacturing and sales of cotton, yarn etc.	100.00	100.00	100.00	—
Tainan Spinning Co., Ltd.	Nan Fan Development Co., Ltd.	Land development	100.00	100.00	100.00	—
Tainan Spinning Co., Ltd.	Tainan Spinning Holding (Cayman Islands) Ltd.	Professional investments	100.00	100.00	100.00	—
Tainan Spinning Co., Ltd.	Nan Fan International Investment (Cayman Islands) Co., Ltd.	Professional investments	100.00	100.00	100.00	—

			Ownership (%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2023	December 31, 2022	June 30, 2022	Description
Tainan Spinning Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	Operating department stores	100.00	100.00	100.00	—
Tainan Spinning Co., Ltd.	Tainan Spinning (Singapore) Pte. Ltd.	Professional investments	100.00	100.00	100.00	—
Tainan Spinning Co., Ltd.	Nan Fan Housing Development Co., Ltd.	Commissioned to build public housing and the rental and sale of commercial property	99.99	99.99	99.99	—
Tainan Spinning Co., Ltd. (Vietnam)	Tainan Textile Co., Ltd.	Manufacturing and sales of cotton, yarn etc.	85.00	85.00	85.00	—
Tainan Spinning (Singapore) Pte. Ltd.	Tainan Textile Co., Ltd.	Manufacturing and sales of cotton, yarn etc.	15.00	15.00	15.00	—
Nan Fan Housing Development Co., Ltd.	Federal Holding Limited	Professional investments	100.00	100.00	100.00	—
Federal Holding Limited	United Investment Pte. Ltd.	Professional investments	100.00	100.00	100.00	—
United Investment Pte. Ltd.	Namtex Co., Ltd.	Businesses related to weaving, dyeing and sorting of yarns	50.00	50.00	50.00	(Note)

Note: The Company has control over this entity because it holds half of the board seats and has appointed the Chairman.

Except for Tainan Spinning Co., Ltd. (Vietnam) and its subsidiaries, the financial statements as of and for the six-month periods ended June 30, 2023 and 2022 and the relevant information disclosed in Note 13 of certain insignificant subsidiaries were not reviewed by independent auditors.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. For the detailed information, refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2023	December 31, 2022	June 30, 2022
Cash:			
Cash on hand	$ 11, 647	$ 9, 584	$ 7, 258
Checking accounts and demand deposits	2, 253, 671	2, 778, 698	2, 657, 740
	2, 265, 318	2, 788, 282	2, 664, 998
Cash equivalents:			
Time deposits	2, 095, 885	2, 614, 235	1, 160, 434
Commercial paper	666, 210	816, 364	1, 510, 152
	2, 762, 095	3, 430, 599	2, 670, 586
	$ 5, 027, 413	$ 6, 218, 881	$ 5, 335, 584

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group recognized its time deposits with maturities ranging from three months to one year as “Financial assets at amortised cost-current”. Details of the Group’s time deposits pledged as collateral are provided in Note 8.

(2) Financial assets at fair value through profit or loss

Items	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ 30,770	$ 32,227	$ 31,238
Beneficiary certificates	34,452	34,452	34,452
	65,222	66,679	65,690
Valuation adjustment	3,145	8,659	2,458
	$ 68,367	$ 75,338	$ 68,148
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 328,811	$ 324,661	$ 277,287
Valuation adjustment	(21,806)	(35,115)	22,307
	$ 307,005	$ 289,546	$ 299,594

A. The Group recognized net gain (loss) on financial assets mandatorily measured at fair value through profit or loss (shown as “other gains and losses”) amounting to ($3,948), ($15,318), $7,410 and ($35,840) for the three-month and six-month periods ended June 30, 2023 and 2022, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others as of June 30, 2023, December 31, 2022 and June 30, 2022.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost - current

	June 30, 2023	December 31, 2022	June 30, 2022
Time deposits over three months	$ 738,031	$ 211,500	$ 213,000
Pledged time deposits	1,500	1,500	-
	$ 739,531	$ 213,000	$ 213,000

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	For the three-month periods ended June 30,	
	2023	2022
Interest income	$ 4,016	$ 531

	For the six-month periods ended June 30,	
	2023	2022
Interest income	$ 4,919	$ 1,175

B. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the book value.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral as of June 30, 2023, December 31, 2022 and June 30, 2022 are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable	$ 124,725	$ 242,728	$ 199,315
Accounts receivable	$ 1,526,626	$ 1,201,742	$ 1,621,626
Less: Allowance for uncollectible accounts	-	-	(9,780)
	$ 1,526,626	$ 1,201,742	$ 1,611,846

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 124,725	$ 1,526,626	$ 242,728	$ 1,201,742

	June 30, 2022	
	Notes receivable	Accounts receivable
Not past due	$ 199,315	$ 1,611,846
Over 180 days	-	9,780
	$ 199,315	$ 1,621,626

The above ageing analysis was based on past due date.

B. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the book value.

C. As of June 30, 2023, December 31, 2022 and June 30, 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $1,850,074.

D. The Group does not hold any collateral pledged for notes and accounts receivable as of June 30, 2023, December 31, 2022 and June 30, 2022.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

F. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group had accounts receivable classified as financial assets at fair value through profit or loss in the amount of $6,553, $22,598 and $10,409, respectively.

(5) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety

A. For the six-month periods ended June 30, 2023 and 2022, the Group has entered into a factoring agreement with several banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

For the six-month period ended June 30, 2023

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
HSBC	$ 278, 966	$ 278, 966	$ 278, 966	5. 70%～6. 82%
CTBC Bank	123, 606	123, 606	123, 606	5. 81%~6. 33%
E. Sun Bank	83, 988	83, 988	83, 988	5. 68%～6. 03%
MHBK	68, 686	68, 686	68, 686	5. 65%～6. 06%
Bank SinoPac	51, 499	51, 499	51, 499	6. 24%~6. 34%
	$ 606, 745	$ 606, 745	$ 606, 745	

For the year ended December 31, 2022

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
HSBC	$ 445, 401	$ 445, 401	$ 445, 401	0. 66%～6. 05%
E. Sun Bank	197, 544	197, 544	197, 544	4. 20%～6. 06%
CTBC Bank	154, 728	154, 728	154, 728	0. 69%～3. 90%
	$ 797, 673	$ 797, 673	$ 797, 673	

For the six-month period ended June 30, 2022				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
HSBC	$ 272,893	$ 272,893	$ 272,893	0.66%～2.36%
CTBC Bank	79,968	79,968	79,968	0.69%～1.76%
	$ 352,861	$ 352,861	$ 352,861	

B. The Group recognized finance expense (shown as "finance costs") arising from transferred accounts receivable amounting to $4,216, $1,029, $7,132 and $1,331 for the three-month and six-month periods ended June 30, 2023 and 2022, respectively.

(6) Inventories

	June 30, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 40,978	$ -	$ 40,978
Raw materials	2,161,468	(69,011)	2,092,457
Raw materials in transit	505,099	-	505,099
Supplies	607,157	-	607,157
Work in progress	416,460	-	416,460
Finished goods	2,063,429	(163,312)	1,900,117
Land held for construction	129,598	-	129,598
Building and land held for sale	2,451	(1,366)	1,085
	$ 5,926,640	($ 233,689)	$ 5,692,951

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 39,187	$ -	$ 39,187
Raw materials	2,310,490	(65,086)	2,245,404
Raw materials in transit	301,822	-	301,822
Supplies	553,521	-	553,521
Work in progress	466,361	-	466,361
Finished goods	2,394,668	(204,881)	2,189,787
Land held for construction	129,598	-	129,598
Building and land held for sale	2,451	(1,366)	1,085
	$ 6,198,098	($ 271,333)	$ 5,926,765

	June 30, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 27,923	$ -	$ 27,923
Raw materials	1,933,420	(1,308)	1,932,112
Raw materials in transit	1,278,339	-	1,278,339
Supplies	532,170	-	532,170
Work in progress	476,961	(348)	476,613
Finished goods	2,399,902	(13,813)	2,386,089
Land held for construction	129,598	-	129,598
Building and land held for sale	2,451	(1,366)	1,085
	$ 6,780,764	($ 16,835)	$ 6,763,929

The cost of inventories recognized as expense for the period:

	For the three-month periods ended June 30,	
	2023	2022
Cost of goods sold	$ 4,742,742	$ 4,491,481
Reversal of allowance for inventory market price decline (Note 1)	(5,905)	(886)
Revenue from sale of scraps	(8,821)	(10,100)
(Gain) loss on physical inventory	(67)	60
Underapplied overhead (Note 2)	27,477	55,531
	$ 4,755,426	$ 4,536,086

	For the six-month periods ended June 30,	
	2023	2022
Cost of goods sold	$ 10,184,443	$ 9,002,154
Reversal of allowance for inventory market price decline (Note 1)	(40,341)	(23,152)
Revenue from sale of scraps	(19,037)	(25,501)
Loss (gain) on physical inventory	65	(185)
Underapplied overhead (Note 2)	43,484	76,316
	$ 10,168,614	$ 9,029,632

Note 1: For the three-month and six-month periods ended June 30, 2023 and 2022, as the Group used inventories for which a valuation loss was recognized in the prior year, the fluctuation of international raw material prices has slowed down and the prices had gradually reversed, a reduction in cost of sales was recognized.

Note 2:For the three-month and six-month periods ended June 30, 2023 and 2022, due to the slowdown of inventory clearance in the downstream cloth factory caused by increasing inflation and the impact of global economic downturn, industry competition, and COVID-19, the Group's actual production capacity did not reach its normal level. As a result, the underapplied overhead was recognized as expense.

(7) Financial assets at fair value through other comprehensive income – non-current

Items	June 30, 2023	December 31, 2022	June 30, 2022
Equity instruments			
Listed stocks	$ 1,392,097	$ 1,392,097	$ 1,392,098
Unlisted stocks	2,550,698	2,537,084	2,532,936
Beneficiary certificates	553	545	527
	3,943,348	3,929,726	3,925,561
Valuation adjustment	751,584	354,648	711,904
	$ 4,694,932	$ 4,284,374	$ 4,637,465

A. As at June 30, 2023, December 31, 2022 and June 30, 2022, the Group has elected to classify equity investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair values of such investments were their book values.

B. As at June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the book value.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended June 30,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 197,000	($ 397,425)
Cumulative losses reclassified to retained earnings due to derecognition	$ -	$ -
Dividend income recognized in profit or loss held at the end of the period	$ 44,413	$ 69,388

	For the six-month periods ended June 30,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 396,936	($ 264,122)
Cumulative losses reclassified to retained earnings due to derecognition	$ -	$ 319
Dividend income recognized in profit or loss held at the end of the period	$ 44,413	$ 69,388

D. The Group had an investment in President Energy (Cayman Islands) Ltd., which was recognized as equity instruments at fair value through other comprehensive income. President Energy (Cayman Islands) Ltd. reduced its capital amounting to $9,561 on March 30, 2021, and accordingly, the Group reduced its investment cost proportionately. Additionally, that company was liquidated in March 2022. The distribution of liquidation of $33 has been collected. This resulted in cumulative loss on disposal amounting to $319 which was reclassified from other equity to retained earnings.

E. The Group has no financial assets at fair value through other comprehensive income pledged to others as of June 30, 2023, December 31, 2022 and June 30, 2022.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(8) Investments accounted for under equity method

	For the six-month periods ended June 30,	
	2023	2022
At January 1	$ 4,214,625	$ 4,591,235
Share of profit or loss of investments accounted for under equity method	125,764	253,567
Earnings distribution of investments accounted for under equity method	(279,870)	(930,383)
Change in other equity	16,605	90,659
At June 30	$ 4,077,124	$ 4,005,078

A. All investments accounted for under the equity method are associates of the Group. For the three-month and six-month periods ended June 30, 2023 and 2022, the share of profit of associates and joint ventures accounted for under the equity method was $70,846, $95,918, $125,764, and $253,567, respectively, and except for Nantex Industry Co., Ltd., the share of profit of associates and joint ventures was recognized based on the remaining companies' financial statements which were not reviewed by independent auditors.

B. The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio June 30, 2023	Shareholding ratio December 31, 2022	Nature of relationship	Method of measurement
Nantex Industry Co., Ltd.	R.O.C	26.99%	26.99%	Cross-industry investment	Equity method

Company name	Principal place of business	Shareholding ratio June 30, 2022	Nature of relationship	Method of measurement
Nantex Industry Co., Ltd.	R.O.C	26.99%	Cross-industry investment	Equity method

C. The summarized financial information of the associate that is material to the Group is as follows:

Consolidated balance sheet

	Nantex Industry Co., Ltd. and its subsidiaries		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	$ 12,347,383	$ 13,180,916	$ 13,014,951
Non-current assets	4,321,926	4,214,990	4,114,854
Current liabilities	(1,264,813)	(1,609,210)	(1,948,638)
Non-current liabilities	(574,492)	(467,731)	(442,885)
Non-controlling interest	(968,998)	(895,399)	(607,373)
Total net assets	$ 13,861,006	$ 14,423,566	$ 14,130,909
Share in associate's net assets	$ 3,741,086	$ 3,892,920	$ 3,813,932
Difference between investment cost and equity	34,885	20,060	(4,433)
Carrying amount of the associate	$ 3,775,971	$ 3,912,980	$ 3,809,499

Consolidated statement of comprehensive income

	Nantex Industry Co., Ltd and its subsidiaries	
	For the three-month periods ended June 30,	
	2023	2022
Revenue	$ 2,247,278	$ 3,436,622
Profit for the period from continuing operations	$ 301,327	$ 417,419
Other comprehensive income, net of tax	16,250	144,298
Total comprehensive income	$ 317,577	$ 561,717
Dividends received from the associate	$ -	$ 930,383

	Nantex Industry Co., Ltd and its subsidiaries	
	For the six-month periods ended June 30,	
	2023	2022
Revenue	$ 4,485,362	$ 6,931,613
Profit for the period from continuing operations	$ 522,893	$ 1,030,898
Other comprehensive income, net of tax	6,503	423,051
Total comprehensive income	$ 529,396	$ 1,453,949
Dividends received from the associate	$ 265,824	$ 930,383

D. The carrying amount of the Group's interest in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of June 30, 2023, December 31, 2022 and June 30, 2022, the carrying amount of the Group's individually immaterial associates amounted to $301,153, $301,645 and $195,579, respectively.

	For the three-month periods ended June 30,	
	2023	2022
Profit (loss) for the period from continuing operations	$ 7,219	($ 2,602)
Other comprehensive income (loss), net of tax	-	-
Total comprehensive income (loss)	$ 7,219	($ 2,602)
Dividends received from the associate	$ 12,000	$ -

	For the six-month periods ended June 30,	
	2023	2022
Profit (loss) for the period from continuing operations	$ 13,555	($ 969)
Other comprehensive income (loss), net of tax	-	-
Total comprehensive income (loss)	$ 13,555	($ 969)
Dividends received from the associate	$ 14,046	$ -

E. The Group's investment, Nantex Industry Co., Ltd., has quoted market prices. As of June 30, 2023, December 31, 2022 and June 30, 2022, the fair value was $4,977,552, $4,924,387 and $5,655,403, respectively.

F. The Group is the single largest shareholder of Nantex Industry Co., Ltd. with a 26.99% equity interest. As the Group does not hold more than half of the voting rights in substance, does not have substantial control or control through potential voting rights, and has not obtained control through a combination of contractual agreements, voting rights and potential voting rights, which indicates that the Group does not have the actual ability to direct the relevant activities, therefore, the Group does not have control, but only has significant influence, over the investee.

G. As of June 30, 2023, December 31, 2022 and June 30, 2022, information about the Group's investments accounted for under equity method that were pledged to others as collateral is provided in Note 8.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Facility	Office equipment	Miscellaneous equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2023								
Cost	$ 9,188,695	$ 10,438,635	$ 14,741,334	$ 4,839,348	$ 271,564	$ 2,158,611	$ 50,365	$ 41,688,552
Accumulated depreciation	-	(3,124,062)	(12,802,302)	(2,640,572)	(239,020)	(1,729,507)	-	(20,535,463)
Accumulated impairment	-	(489,045)	(35,435)	(15,272)	(3,864)	(31,581)	-	(575,197)
	$ 9,188,695	$ 6,825,528	$ 1,903,597	$ 2,183,504	$ 28,680	$ 397,523	$ 50,365	$ 20,577,892
For the six-month period ended June 30, 2023								
At January 1	$ 9,188,695	$ 6,825,528	$ 1,903,597	$ 2,183,504	$ 28,680	$ 397,523	$ 50,365	$ 20,577,892
Additions	-	506	106,123	21,277	4,373	48,761	952	181,992
Transferred from prepayment for equipment	-	-	138,484	5,774	38	8,999	-	153,295
Depreciation	-	(114,278)	(219,493)	(102,803)	(7,060)	(48,688)	-	(492,322)
Disposals-cost	-	-	(118,039)	-	(680)	(55,102)	-	(173,821)
Disposals-accumulated depreciation	-	-	118,032	-	575	42,245	-	160,852
Disposals-accumulated impairment	-	-	-	-	105	8,771	-	8,876
Net exchange differences	-	13,607	21,013	3,297	97	4,097	-	42,111
At June 30	$ 9,188,695	$ 6,725,363	$ 1,949,717	$ 2,111,049	$ 26,128	$ 406,606	$ 51,317	$ 20,458,875
At June 30, 2023								
Cost	$ 9,188,695	$ 10,463,797	$ 14,960,431	$ 4,875,202	$ 276,768	$ 2,174,887	$ 51,317	$ 41,991,097
Accumulated depreciation	-	(3,249,389)	(12,975,279)	(2,748,881)	(246,881)	(1,745,471)	-	(20,965,901)
Accumulated impairment	-	(489,045)	(35,435)	(15,272)	(3,759)	(22,810)	-	(566,321)
	$ 9,188,695	$ 6,725,363	$ 1,949,717	$ 2,111,049	$ 26,128	$ 406,606	$ 51,317	$ 20,458,875

	Land	Buildings and structures	Machinery	Facility	Office equipment	Miscellaneous equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2022								
Cost	$ 9,188,695	$ 10,335,193	$ 15,426,999	$ 4,797,197	$ 257,555	$ 2,436,217	$ 49,775	$ 42,491,631
Accumulated depreciation	-	(2,856,175)	(13,215,126)	(2,460,049)	(222,889)	(1,991,998)	-	(20,746,237)
Accumulated impairment	-	(493,600)	(65,558)	(15,766)	(4,536)	(57,603)	-	(637,063)
	$ 9,188,695	$ 6,985,418	$ 2,146,315	$ 2,321,382	$ 30,130	$ 386,616	$ 49,775	$ 21,108,331
For the six-month period ended June 30, 2022								
At January 1	$ 9,188,695	$ 6,985,418	$ 2,146,315	$ 2,321,382	$ 30,130	$ 386,616	$ 49,775	$ 21,108,331
Additions	-	1,044	43,891	7,127	3,651	16,529	4,481	76,723
Transferred from prepayment for equipment	-	-	15,112	22,023	593	5,462	-	43,190
Transferred after acceptance	-	-	-	364	-	3,675	(4,039)	-
Depreciation	-	(113,532)	(213,497)	(104,115)	(7,160)	(43,249)	-	(481,553)
Disposals-cost	-	(24)	(445,138)	(8,952)	(2,268)	(43,672)	-	(500,054)
Disposals-accumulated depreciation	-	23	437,397	8,753	2,134	36,394	-	484,701
Reversal of impairment loss	-	1	6,642	199	97	4,074	-	11,013
Net exchange differences	-	45,581	78,431	12,198	349	13,303	-	149,862
At June 30	$ 9,188,695	$ 6,918,511	$ 2,069,153	$ 2,258,979	$ 27,526	$ 379,132	$ 50,217	$ 20,892,213
At June 30, 2022								
Cost	$ 9,188,695	$ 10,412,539	$ 15,325,665	$ 4,843,837	$ 263,897	$ 2,457,226	$ 50,217	$ 42,542,076
Accumulated depreciation	-	(3,000,429)	(13,197,595)	(2,569,291)	(231,932)	(2,024,566)	-	(21,023,813)
Accumulated impairment	-	(493,599)	(58,917)	(15,567)	(4,439)	(53,528)	-	(626,050)
	$ 9,188,695	$ 6,918,511	$ 2,069,153	$ 2,258,979	$ 27,526	$ 379,132	$ 50,217	$ 20,892,213

A. The Group's property, plant and equipment are all occupied by the owner for operating purpose as of June 30, 2023, December 31, 2022 and June 30, 2022.

B. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	For the three-month periods ended June 30,	
	2023	2022
Amount capitalized	$ 1,711	$ 190
Range of the interest rates for capitalization	1.79%～1.83%	1.10%~1.16%

	For the six-month periods ended June 30,	
	2023	2022
Amount capitalized	$ 3,003	$ 327
Range of the interest rates for capitalization	1.74%～1.83%	0.95%~1.16%

C. As of June 30, 2023, December 31, 2022 and June 30, 2022, information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. Information relating to accumulated impairment is provided in Note 6(13).

(10) Leasing arrangements－lessee

A. The Group's leases pertain to land. Rental contracts are typically made for periods of 30 to 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise rental cars. Low-value assets comprise electricity meter and servers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	$ 450,720	$ 456,029	$ 459,526

	For the three-month periods ended June 30,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 6,092	$ 5,966

	For the six-month periods ended June 30,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 12,099	$ 11,670

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended June 30,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,974	$ 3,039
Expense on short-term lease contracts	1,250	1,284
Expense on leases of low-value assets	3	75

	For the six-month periods ended June 30,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 5,937	$ 5,973
Expense on short-term lease contracts	2,712	2,546
Expense on leases of low-value assets	6	150

E. For the six-month periods ended June 30, 2023 and 2022, the Group's total cash outflow for leases was $16,200 and $15,661, respectively.

(11) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings and structures (shown as "Investment property - net"). Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. Gain arising from operating lease agreements for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows (shown as "Operating revenue"):

	For the three-month periods ended June 30,	
	2023	2022
Rental income	$ 66,776	$ 51,079

	For the six-month periods ended June 30,	
	2023	2022
Rental income	$ 127,393	$ 102,832

C. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Within 1 year	$ 236,883	$ 209,510	$ 196,727
1~5 years	350,211	237,730	297,969
Over 5 years	381,031	407,857	398,916
	$ 968,125	$ 855,097	$ 893,612

(12) Investment property - net

	Land	Buildings	Total
At January 1, 2023			
Cost	$3,943,168	$1,606,520	$5,549,688
Accumulated depreciation	-	(491,984)	(491,984)
Accumulated impairment	-	(92,095)	(92,095)
	$3,943,168	$1,022,441	$4,965,609
For the six-month period ended June 30, 2023			
At January 1	$3,943,168	$1,022,441	$4,965,609
Depreciation	-	(14,185)	(14,185)
At June 30	$3,943,168	$1,008,256	$4,951,424
At June 30, 2023			
Cost	$3,943,168	$1,606,520	$5,549,688
Accumulated depreciation	-	(506,169)	(506,169)
Accumulated impairment	-	(92,095)	(92,095)
	$3,943,168	$1,008,256	$4,951,424

	Land	Buildings	Total
At January 1, 2022			
Cost	$3,943,168	$1,606,520	$5,549,688
Accumulated depreciation	-	(463,377)	(463,377)
Accumulated impairment	-	(92,095)	(92,095)
	$3,943,168	$1,051,048	$4,994,216
For the six-month period ended June 30, 2022			
At January 1	$3,943,168	$1,051,048	$4,994,216
Depreciation	-	(14,186)	(14,186)
At June 30	$3,943,168	$1,036,862	$4,980,030
At June 30, 2022			
Cost	$3,943,168	$1,606,520	$5,549,688
Accumulated depreciation	-	(477,563)	(477,563)
Accumulated impairment	-	(92,095)	(92,095)
	$3,943,168	$1,036,862	$4,980,030

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the three-month periods ended June 30,	
	2023	2022
Rental income from investment property	$ 66,776	$ 51,079
Direct operating expenses arising from the investment property that generated rental income during the period	$ 16,960	$ 17,507
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ -	$ -

	For the six-month periods ended June 30,	
	2023	2022
Rental income from investment property	$ 127,393	$ 102,832
Direct operating expenses arising from the investment property that generated rental income during the period	$ 34,134	$ 34,743
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ -	$ -

B. The fair value of the investment property held by the Group as at June 30, 2023, December 31, 2022 and June 30, 2022 was $11,447,143, $11,461,328 and $11,053,058, respectively, which was valued by independent valuers. Valuations were based on most recent transaction prices of similar and comparable properties and official price, which is categorized within Level 3 in the fair value hierarchy.

C. As of June 30, 2023, December 31, 2022 and June 30, 2022, information about the investment property that was pledged to others as collateral is provided in Note 8.

D. Information relating to accumulated impairment is provided in Note 6(13).

(13) Impairment of non-financial assets

A. The Group recognized impairment loss (shown as "Other gains and losses") for the three-month and six-month periods ended June 30, 2023 and 2022 amounting to $－, $1,939, $ －and $11,013, respectively. Details of such loss are as follows:

	For the three-month periods ended June 30,			
	2023		2022	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
Revesrsal of impairment loss - buildings and structures	$ －	$ －	$ 1	$ －
Reversal of impairment loss - machinery	－	－	133	－
Reversal of impairment loss - facility	－	－	197	－
Reversal of impairment loss - office equipment	－	－	8	－
Reversal of impairment loss - miscellaneous equipment	－	－	1,600	－
	$ －	$ －	$ 1,939	$ －

	For the six-month periods ended June 30,			
	2023		2022	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
Revesrsal of impairment loss - buildings and structures	$ －	$ －	$ 1	$ －
Reversal of impairment loss - machinery	－	－	6,642	－
Reversal of impairment loss - facility	－	－	199	－
Reversal of impairment loss - office equipment	－	－	97	－
Reversal of impairment loss - miscellaneous equipment	－	－	4,074	－
	$ －	$ －	$ 11,013	$ －

B. The impairment loss reported by operating segments are as follows:

	For the three-month periods ended June 30,			
	2023		2022	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
The Company	$ -	$ -	$ 1,939	$ -

	For the six-month periods ended June 30,			
	2023		2022	
	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in profit or loss	Recognized in other comprehensive income
The Company	$ -	$ -	$ 11,013	$ -

C. The accumulated impairment which the Group recognized on non-financial assets as at June 30, 2023, December 31, 2022 and June 30, 2022 was $658,416, $667,292 and $718,145, respectively.

(14) Short-term borrowings

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 6,598,144	1.72%~7.60%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 5,766,122	0.87%~8.40%	None

Type of borrowings	June 30, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 4,838,116	0.80%~2.15%	None

For interest expense recognized in profit or loss for the three-month and six-month periods ended June 30, 2023 and 2022, refer to Note 6(27).

(15) Short-term notes and bills payable

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Commercial paper payable	$ 840,000	1.75%~1.80%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Commercial paper payable	$ 350,000	1.89%~1.94%	None

Type of borrowings	June 30, 2022	Interest rate range	Collateral
Commercial paper payable	$ 100,000	1.13%~1.30%	None

A. The above commercial papers were issued and secured by Mega Bills Finance Co., Ltd. etc.

B. For interest expense recognized in profit or loss for the three-month and six-month periods ended June 30, 2023 and 2022, refer to Note 6(27).

(16) Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Dividends payable	$ 579,886	$ -	$ 1,325,453
Salaries and bonuses payable	180,244	299,015	214,090
Annual maintenance payable	88,746	99,514	77,685
Employees' compensation and directors' remuneration payable	37,917	123,056	108,189
House and land value tax payable	50,327	41,903	53,830
Payable on machinery and equipment	96,261	119,897	161,079
Utilities expense payable	54,607	61,787	48,531
Other payables (Less than 5%)	301,430	292,931	435,529
	$ 1,389,418	$ 1,038,103	$ 2,424,386

(17) Long-term borrowings

Type of borrowings	Maturity period	Interest rate range	Collateral	June 30, 2023
Long-term bank borrowings				
Secured borrowings	4.30.2025～12.21.2025	1.72%～1.86%	Refer to Note 8, 'Pledged assets'	$ 2,475,000
Unsecured borrowings	6.9.2024～9.16.2027	1.67%～2.32%	None	4,356,334
				6,831,334
Less: Current portion				(1,093,651)
				$ 5,737,683

Type of borrowings	Maturity period	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	4.30.2024～12.21.2025	1.68% ～1.81%	Refer to Note 8, 'Pledged assets'	$ 2,691,667
Unsecured borrowings	1.9.2024～9.16.2027	1.33% ～2.09%	None	5,336,492
				8,028,159
Less: Current portion				(943,651)
				$ 7,084,508

Type of borrowings	Maturity period	Interest rate range	Collateral	June 30, 2022
Long-term bank borrowings				
Secured borrowings	12.21.2022～8.27.2025	1.22% ～1.43%	Refer to Note 8, 'Pledged assets'	$ 2,100,000
Unsecured borrowings	3.21.2023～9.16.2027	0.91% ～1.51%	None	5,839,428
				7,939,428
Less: Current portion				(913,095)
				$ 7,026,333

For interest expense recognized in profit or loss for the three-month and six-month periods ended June 30, 2023 and 2022, refer to Note 6(27).

(18) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The information on the Company's defined benefit pension plan is as follows:

(a) For the aforementioned pension plan, the Company recognized pension costs of $905, $1,704, $1,811 and $3,408 for the three-month and six-month periods ended June 30, 2023 and 2022, respectively.

(b) Expected contributions to the defined benefit pension plan of the Company for the next year is $24,054.

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor

Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group for the three-month and six-month periods ended June 30, 2023 and 2022 were $6,164, $6,058, $12,118 and $11,939, respectively.

(19) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows:

(Units: in thousand shares)

	For the six-month periods ended June 30,	
	2023	2022
Beginnng and ending balance	1, 656, 816	1, 656, 816

B. As of June 30, 2023, the Company's authorized capital was $20,000,000, and the paid-in capital was $16,568,159 with a par value of $10 (in dollars) per share. The 1,656,816 thousand shares were issued over several installments. All proceeds from shares issued have been collected.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(21) Retained earnings

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

B. In accordance with the Company's Articles of Incorporation, as the Company operates in a mature industry with intense competition, the Board of Directors must determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year earnings shall first be used to pay all taxes and offset prior years' operating losses, and then 10% of the remaining earnings shall be set aside as legal reserve, and a special reserve is set aside or reversed in accordance with relevant laws and regulations. The remaining balance along with the unappropriated earnings at the beginning of the period constitute the accumulated distributable earnings. Total dividends shall account for at least 20% of the distributable earnings of the current year. Cash dividends must account for at least 30% of total dividends distributed.

Dividend payments are proposed by the Board of Directors and resolved by the stockholders. The Board of Directors is authorised by the Company to distribute whole or a part of the dividends and bonuses in the form of cash through special resolution, and such distribution shall be submitted to the shareholders during their meeting. The requirement for approval by the shareholders is not applicable for the above distribution.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land. As of June 30, 2023, the balance of special reserve that was set aside on initial application of IFRSs was $1,971,155.

D. For the six-month periods ended June 30, 2023 and 2022, the Company recognized cash dividends distributed to owners amounting to $579,886 ($0.35 (in dollars) per share) and $1,325,453 ($0.8 (in dollars) per share), respectively. As of June 30, 2023 and 2022, the cash dividends have not yet been distributed (shown as "Other payables").

(22) Other equity items

	For the six-month period ended June 30, 2023		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	($ 627,132)	$ 382,792	($ 244,340)
Revaluation - gross			
–Group	-	396,924	396,924
–Associates		24,659	24,659
Currency translation differences			
–Group	115,763	-	115,763
–Associates	(8,054)	-	(8,054)
At June 30	($ 519,423)	$ 804,375	$ 284,952

	For the six-month period ended June 30, 2022		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	($ 1,185,712)	$ 990,415	($ 195,297)
Revaluation-gross			
–Group	-	(264,122)	(264,122)
–Associates	-	22,614	22,614
Transferred to retained earnings			
– Group	-	319	319
Currency translation differences			
–Group	396,508	-	396,508
–Associates	68,045	-	68,045
At June 30	($ 721,159)	$ 749,226	$ 28,067

(23) Operating revenue

	For the three-month periods ended June 30,	
	2023	2022
Revenue from contracts with customers	$ 4,962,499	$ 5,548,178
Rental income from commercial building	66,776	51,079
	$ 5,029,275	$ 5,599,257

	For the six-month periods ended June 30,	
	2023	2022
Revenue from contracts with customers	$ 10,355,193	$ 11,287,421
Rental income from commercial building	127,393	102,832
	$ 10,482,586	$ 11,390,253

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

For the three-month period ended June 30, 2023	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Others	Total
Revenue from contracts with customers	$ 4,654,531	$ 203,712	$ 74,223	$ 27,381	$2,652	$ 4,962,499
Timing of revenue recognition						
At a point in time	$ 4,654,531	$ -	$ 74,223	$ 10,114	$2,652	$ 4,741,520
Over time	-	203,712	-	17,267	-	220,979
	$ 4,654,531	$ 203,712	$ 74,223	$ 27,381	$2,652	$ 4,962,499

For the three-month period ended June 30, 2022	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Others	Total
Revenue from contracts with customers	$ 5,318,656	$ 142,623	$ 58,686	$ 25,603	$2,610	$ 5,548,178
Timing of revenue recognition						
At a point in time	$ 5,318,656	$ -	$ 58,686	$ 8,881	$2,610	$ 5,388,833
Over time	-	142,623	-	16,722	-	159,345
	$ 5,318,656	$ 142,623	$ 58,686	$ 25,603	$2,610	$ 5,548,178

For the six-month period ended June 30, 2023	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Others	Total
Revenue from contracts with customers	$ 9,675,040	$ 436,802	$ 182,295	$ 56,201	$4,855	$ 10,355,193
Timing of revenue recognition						
At a point in time	$ 9,675,040	$ -	$ 182,295	$ 21,175	$4,855	$ 9,883,365
Over time	-	436,802	-	35,026	-	471,828
	$ 9,675,040	$ 436,802	$ 182,295	$ 56,201	$4,855	$ 10,355,193

For the six-month period ended June 30, 2022	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Others	Total
Revenue from contracts with customers	$ 10,732,088	$ 338,728	$ 159,924	$ 52,045	$4,636	$ 11,287,421
Timing of revenue recognition						
At a point in time	$ 10,732,088	$ -	$ 159,924	$ 18,898	$4,636	$10,915,546
Over time	-	338,728	-	33,147	-	371,875
	$ 10,732,088	$ 338,728	$ 159,924	$ 52,045	$4,636	$ 11,287,421

B. The Group has recognized the following revenue-related contract liabilities:

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Contract liabilities:				
Receipts in advance	$ 567,458	$ 302,702	$ 512,597	$ 619,424

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	For the three-month periods ended June 30,	
	2023	2022
Contract liabilities	$ 31,260	$ 34,415

	For the six-month periods ended June 30,	
	2023	2022
Contract liabilities	$ 216,315	$ 550,319

(24) Interest income

	For the three-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	$ 35,668	$ 6,080
Interest income from financial assets at amortised cost	4,016	531
	$ 39,684	$ 6,611

	For the six-month periods ended June 30,	
	2023	2022
Interest income from bank deposits	$ 66,522	$ 7,615
Interest income from financial assets at amortised cost	4,919	1,175
	$ 71,441	$ 8,790

(25) Other income

	For the three-month periods ended June 30,	
	2023	2022
Dividend income	$ 44,413	$ 69,388
Rental income	1,304	1,838
Directors' remuneration and transportation allowance income	2,116	3,272
Others	48,685	40,666
	$ 96,518	$ 115,164

	For the six-month periods ended June 30,	
	2023	2022
Dividend income	$ 44,413	$ 69,388
Rental income	3,240	3,297
Directors' remuneration and transportation allowance income	25,725	140,118
Others	82,936	67,737
	$ 156,314	$ 280,540

(26) Other gains and losses

	For the three-month periods ended June 30,	
	2023	2022
Net losses on financial assets at fair value through profit or loss	($ 3,948)	($ 15,318)
Net gains on foreign exchange	28,976	112,796
Gains on disposals of property, plant and equipment	1,838	651
Reversal of impairment loss on non-financial assets	–	1,939
Others	1,735	2,761
	$ 28,601	$ 102,829

	For the six-month periods ended June 30,	
	2023	2022
Net gains (losses) on financial assets at fair value through profit or loss	$ 7,410	($ 35,840)
Net gains on foreign exchange	20,401	235,717
Gains (losses) on disposals of property, plant and equipment	1,620	(2,355)
Reversal of impairment loss on non-financial assets	–	11,013
Others	3,183	6,853
	$ 32,614	$ 215,388

(27) Finance costs

	For the three-month periods ended June 30,	
	2023	2022
Interest expense	$ 93,702	$ 40,215
Interest expense on lease liabilities	2,974	3,039
Other financial expenses	4,338	1,232
Less: Capitalization of qualifying assets	(1,711)	(190)
	$ 99,303	$ 44,296

	For the six-month periods ended June 30,	
	2023	2022
Interest expense	$ 177,772	$ 72,735
Interest expense on lease liabilities	5,937	5,973
Other financial expenses	7,443	1,788
Less: Capitalization of qualifying assets	(3,003)	(327)
	$ 188,149	$ 80,169

(28) Expenses by nature

	For the three-month period ended June 30, 2023		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 415,044	$ 113,152	$ 528,196
Depreciation	245,292	18,963	264,255
Amortisation	-	84	84
	$ 660,336	$ 132,199	$ 792,535

	For the three-month period ended June 30, 2022		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 448,967	$ 138,178	$ 587,145
Depreciation	238,464	18,091	256,555
Amortisation	178	61	239
	$ 687,609	$ 156,330	$ 843,939

	For the six-month period ended June 30, 2023		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 879,351	$ 268,387	$ 1,147,738
Depreciation	481,208	37,398	518,606
Amortisation	-	183	183
	$ 1,360,559	$ 305,968	$ 1,666,527

	For the six-month period ended June 30, 2022		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 912,165	$ 312,440	$ 1,224,605
Depreciation	468,337	39,072	507,409
Amortisation	348	121	469
	$ 1,380,850	$ 351,633	$ 1,732,483

(29) Employee benefit expense

	For the three-month period ended June 30, 2023		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 344,098	$ 92,951	$ 437,049
Labour and health insurance expenses	41,498	10,400	51,898
Pension costs	3,990	3,079	7,069
Other personnel expenses	25,458	6,722	32,180
	$ 415,044	$ 113,152	$ 528,196

	For the three-month period ended June 30, 2022		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 383,008	$ 117,012	$ 500,020
Labour and health insurance expenses	35,550	10,883	46,433
Pension costs	4,309	3,453	7,762
Other personnel expenses	26,100	6,830	32,930
	$ 448,967	$ 138,178	$ 587,145

	For the six-month period ended June 30, 2023		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 741,708	$ 225,015	$ 966,723
Labour and health insurance expenses	79,231	22,858	102,089
Pension costs	7,618	6,311	13,929
Other personnel expenses	50,794	14,203	64,997
	$ 879,351	$ 268,387	$ 1,147,738

	For the six-month period ended June 30, 2022		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 783,541	$ 268,412	$ 1,051,953
Labour and health insurance expenses	69,304	23,515	92,819
Pension costs	8,506	6,841	15,347
Other personnel expenses	50,814	13,672	64,486
	$ 912,165	$ 312,440	$ 1,224,605

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 2% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the three-month and six-month periods ended June 30, 2022, employees' compensation was accrued at $14,200 and $30,460, respectively; while directors' remuneration was accrued at $15,850, and $40,410, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on 2% and 3% of distributable profit of current period, respectively. For the three-month and six-month periods ended June 30, 2023, no employees' compensation and directors' remuneration was accrued because of losses incurred for the period. For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to $28,096 and $42,143, respectively, which were different from the estimated amounts recognized in the 2022 financial statements of $28,086 and $42,129, by $24. Such difference has been recognized in profit or loss for the year ending December 31, 2023. In addition, employees' compensation and directors' and supervisors' remuneration for 2022 have been distributed in cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax (benefit) expense

Components of income tax (benefit) expense

	For the three-month periods ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 71,609	$ 75,841
Tax on undistributed surplus earnings	27,105	66,462
Prior year income tax over estimation	(11,112)	(5,196)
Total current tax	87,602	137,107
Deferred tax:		
Origination and reversal of temporary differences	(173,921)	47,968
Income tax (benefit) expense	($ 86,319)	$ 185,075

	For the six-month periods ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 80,295	$ 191,275
Tax on undistributed surplus earnings	27,105	66,462
Prior year income tax under (over) estimation	56,830	(7,565)
Total current tax	164,230	250,172
Deferred tax:		
Origination and reversal of temporary differences	(274,473)	148,000
Income tax (benefit) expense	($ 110,243)	$ 398,172

B. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of August 8, 2023.

(31) (Loss) earnings per share

	For the three-month period ended June 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 72,730)	1,656,816	($ 0.04)

	For the three-month period ended June 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,417	1,656,816	$ 0.25
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 418,417	1,656,816	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,731	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 418,417	1,658,547	$ 0.25

	For the six-month period ended June 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 546,863)	1,656,816	($ 0.33)

	For the six-month period ended June 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,176,652	1,656,816	$ 0.71
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,176,652	1,656,816	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,837	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,176,652	1,659,653	$ 0.71

(32) Supplemental cash flow information

A. Operating and investing activities with partial cash payments

	For the six-month periods ended June 30,	
	2023	2022
(a) Dividend income	$ 44,413	$ 69,388
Cash dividends from investments accounted for under equity method	279,870	930,383
	324,283	999,771
Less: Dividends receivable at the end of the period	(27,344)	(15,688)
Dividends received	$ 296,939	$ 984,083

	For the six-month periods ended June 30,	
	2023	2022
(b) Acquisition of property, plant and equipment	$ 181,992	$ 76,723
Add: Opening balance of payable for equipment	119,897	273,833
Less: Ending balance of payable for equipment	(96,261)	(161,079)
Capitalized interest	($ 3,003)	($ 327)
Cash paid for acquisition of property, plant and equipment	$ 202,625	$ 189,150

B. Investing and financing activities with no cash flow effects

	For the six-month periods ended June 30,	
	2023	2022
(a) Inventories transferred to prepayments for equipment	$ 30,579	$ 4,741
(b) Prepayments for equipment transferred to property, plant and equipment	$ 153,295	$ 43,190
(c) Prepayments for equipment transferred to intangible asset	$ -	$ 72
(d) Cash dividends declared but not paid	$ 579,886	$ 1,325,453

(33) Changes in liabilities from financing activities

	For the six-month period ended June 30, 2023					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$5,766,122	$ 350,000	$ 345,482	$ 8,028,159	$ 76,397	$ 14,566,160
Changes in cash flow from financing activities	787,840	490,000	(7,545)	(1,196,825)	2,419	75,889
Impact of changes in foreign exchange rate	44,182	-	5,171	-	-	49,353
At June 30	$6,598,144	$ 840,000	$ 343,108	$ 6,831,334	$ 78,816	$ 14,691,402

	For the six-month period ended June 30, 2022					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$5,150,895	$ 340,000	$ 336,365	$ 8,450,952	$ 70,430	$ 14,348,642
Changes in cash flow from financing activities	(419,943)	(240,000)	(6,992)	(511,524)	2,492	(1,175,967)
Impact of changes in foreign exchange rate	107,164	-	17,031	-	-	124,195
At June 30	$4,838,116	$ 100,000	$ 346,404	$ 7,939,428	$ 72,922	$ 13,296,870

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Nantex Industry Co., Ltd.	Associate
Nanmat Technology Co., Ltd.	Associate

(2) Significant related party transactions

A. Operating revenue: rental income from commercial building and counters

	For the three-month periods ended June 30,	
	2023	2022
Associates	$ 1,023	$ 1,023

	For the six-month periods ended June 30,	
	2023	2022
Associates	$ 2,046	$ 2,046

The Company leased office space to the related party at the following address: Certain floors at 398, Section 1, Zhonghua East Road, East District, Tainan City. The lease agreement is effective from March 1, 2015 to February 28, 2035. The lease payments as specified in the agreement are collected at the beginning of every month.

B. Directors' remuneration (shown as "other income")

	For the three-month periods ended June 30,	
	2023	2022
Nantex Industry Co., Ltd.	$ -	$ -

	For the six-month periods ended June 30,	
	2023	2022
Nantex Industry Co., Ltd.	$ 23,609	$ 136,846

C. Dividends receivable (shown as "other receivables")

	June 30, 2023	December 31, 2022	June 30, 2022
Nanmat Technology Co., Ltd.	$ 2,046	$ -	$ -

(3) Key management compensation

	For the three-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	$ 8,225	$ 26,355

	For the six-month periods ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	$ 16,055	$ 60,796

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value			
Pledged asset	June 30, 2023	December 31, 2022	June 30, 2022	Purpose
Time deposit (Note 1)	$ 1,500	$ 1,500	$ 1,500	Performance bond
Listed company stock (Note 2)	144,184	150,263	142,967	Guarantee for short-term borrowings
Land (Note 3)	4,034,213	4,034,213	4,034,213	Guarantee for long-term borrowings
Buildings and structures, net (Note 4)	21,265	22,276	23,304	Guarantee for long-term borrowings
	$ 4,201,162	$ 4,208,252	$ 4,201,984	

Note 1: Shown as "Financial assets at amortised cost – current".

Note 2: Shown as "Investments accounted for under equity method".

Note 3: Shown as "Property, plant and equipment" and "investment property, net".

Note 4: Shown as "Property, plant and equipment".

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of June 30, 2023, December 31, 2022 and June 30, 2022, the unused letters of credit amounted to $375,858, $447,964 and $558,399, respectively.

(2) As of June 30, 2023, December 31, 2022 and June 30, 2022, the remaining balance due for construction in progress and prepayments for equipment was $410,901, $563,420 and $480,461, respectively.

(3) As of June 30, 2023, December 31, 2022 and June 30, 2022, the amount of the endorsements and guarantees provided by the Group is as follows:

Guarantor	Guaranteed party	June 30, 2023	December 31, 2022	Purpose
Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	$ 99,575	$ 98,200	Guarantee for finance

Guarantor	Guaranteed party	June 30, 2022	Purpose
Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	$ 95,034	Guarantee for finance

As of June 30, 2023, December 31, 2022 and June 30, 2022, the actual amounts of the endorsements and guarantees provided by the Group were $72,790, $71,785 and $69,470, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

The information on financial instruments by category are provided in Notes 6 and 12(3).

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and VND. Foreign exchange risk arises from future commercial transactions and recogni zed assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. However, the foreign currency assets and liabilities positions held by the Group were equal to the collection period. The Group adopted natural hedging to hedge foreign exchange risk.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 26,107	31.14	$ 812,976
USD:VND	39,137	23,575	1,218,726
EUR:NTD	50	33.81	1,689
Financial liabilities			
Monetary items			
USD:VND	79,531	23,575	2,476,595

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 57,418	30.71	$ 1,763,296
USD:VND	30,238	23,600	928,609
EUR:NTD	120	32.72	3,930
Financial liabilities			
Monetary items			
USD:VND	69,757	23,600	2,142,238

	June 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 70,418	29.72	$ 2,092,837
USD:VND	42,678	23,265	1,268,390
EUR:NTD	361	31.05	11,195
Financial liabilities			
Monetary items			
USD:VND	84,367	23,265	2,507,387

Sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by ($781) and $6,300, respectively.

v. The total exchange (losses) gains, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2023 and 2022 amounted to $28,976, $112,796, $20,401 and $235,717, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group meticulously assesses its investment activities and sets stop-loss points accordingly. As a result, the Group does not expect to incur significant losses from price fluctuations in the market.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2023 and 2022 would have increased/decreased by $3,126 and $3,033, as a result of gains/losses on equity securities classified as at fair value through profit or loss, respectively. Other components of equity would have increased/decreased by $46,579 and $118,060, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's borrowings are financial instruments at floating rates. Thus, future cash flows will fluctuate due to changes in market interest rates and further changes in effective rates of debt instruments. However, partial interest rate risk is offset by cash and cash equivalents held at variable rates.

ii. As at June 30, 2023 and 2022, if the borrowing interest rate had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2023 and 2022 would have decreased / increased by $2,774 and $1,288, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumption under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group considers the characteristics of customer types and applies the simplified approach using the loss rate methodology to estimate expected credit loss under the provision matrix basis. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, and the expected loss rate is 0.3% ~ 100% to estimate allowance loss of accounts receivable. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	For the six-month periods ended June 30,	
	2023	2022
At January 1	$ -	$ 9,305
Impact of changes in foreign exchange rate	-	475
At June 30	$ -	$ 9,780

(c) Liquidity risk

i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group has sufficient financial flexibility.

ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits, notes sold under repurchase agreements and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and they are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	June 30, 2023	December 31, 2022	June 30, 2022
Floating rate:			
Expiring within one year	$ 14,585,886	$ 16,694,392	$ 14,713,877
Expiring beyond one year	5,605,767	4,502,491	2,460,571
	$ 20,191,653	$ 21,196,883	$ 17,174,448

Note: The facilities expiring within one year are annual facilities subject to review at various dates during 2023. The other facilities have been arranged to help finance the proposed operating activities and plant buildings of the Group.

iv. The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

June 30, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 6,615,304	$ -	$ -	$ -
Short-term notes and bills payable	840,000	-	-	-
Notes payable	8,604	-	-	-
Accounts payable	1,851,649	-	-	-
Other payables	1,389,418	-	-	-
Lease liabilities	15,402	15,026	47,454	265,227
Long-term borrowings	1,201,044	2,883,819	2,866,116	-
Guarantee deposits received	52,761	244	9,011	16,800

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 5,779,015	$ -	$ -	$ -
Short-term notes and bills payable	350,000	-	-	-
Notes payable	60,508	-	-	-
Accounts payable	1,921,832	-	-	-
Other payables	1,038,103	-	-	-
Lease liabilities	16,073	14,617	46,135	268,651
Long-term borrowings	1,015,927	3,471,493	3,662,256	-
Guarantee deposits received	47,545	9,253	1,106	18,493

June 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 4,845,190	$ -	$ -	$ -
Short-term notes and bills payable	100,000	-	-	-
Notes payable	9,840	-	-	-
Accounts payable	1,754,331	-	-	-
Other payables	2,424,386	-	-	-
Lease liabilities	19,777	17,898	48,402	260,317
Long-term borrowings	1,473,445	2,813,635	3,770,130	-
Guarantee deposits received	27,059	2,337	26,726	16,800

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in emerging stocks, listed stocks and beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in privately offered fund, factoring of account receivable and investment in stocks of unlisted bills finance companies are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 34,195	$ -	$ -	$ 34,195
Beneficiary certificates	34,172	307,005	-	341,177
Factoring of accounts receivable	-	6,553	-	6,553
Financial assets at fair value through other comprehensive income				
Equity securities	2,312,218	525,736	1,856,978	4,694,932
	$2,380,585	$ 839,294	$1,856,978	$5,076,857

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 40,076	$ -	$ -	$ 40,076
Beneficiary certificates	35,262	289,546	-	324,808
Factoring of accounts receivable	-	22,598	-	22,598
Financial assets at fair value through other comprehensive income				
Equity securities	2,018,372	470,686	1,795,316	4,284,374
	$2,093,710	$ 782,830	$1,795,316	$4,671,856

June 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 33,226	$ -	$ -	$ 33,226
Beneficiary certificates	34,922	299,594	-	334,516
Factoring of accounts receivable	-	10,409	-	10,409
Financial assets at fair value through other comprehensive income				
Equity securities	2,241,265	642,974	1,753,226	4,637,465
	$2,309,413	$ 952,977	$1,753,226	$5,015,616

E. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Emerging stocks	Listed shares	Closed-end fund	Open-end fund
Market quoted price	Average trading price at the balance sheet date	Closing price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(e) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

F. For the six months ended June 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the six-month periods ended June 30, 2023 and 2022:

	Equity instruments	
	For the six-month periods ended June 30,	
	2023	2022
Balance at January 1	$ 1,795,316	$ 1,861,535
Recognized in other comprehensive income	59,861	109,110
Acquired during the period	-	21,642
Transferred out to level 3	-	(246,792)
Proceeds from liquidation of investee	-	(33)
Effect of exchange rate changes	1,801	7,764
Balance at June 30	$ 1,856,978	$ 1,753,226

H. Because the financial assets at fair value through other comprehensive income - Jardine International Co., Ltd. was listed in the Taipei Exchange starting from March 2022, and has steady and certain degree of transaction amounts, and thus the Group has transferred the fair value from Level 3 into Level 1 in the month when the event occurred.

I. Accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 261,000	Discounted cash flow	The weighted average cost of capital	7.75%~ 23.95%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	$ 1,595,978	Net asset value	Not applicable	_	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 259,199	Discounted cash flow	The weighted average cost of capital	8.88%～ 26.08%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	$ 1,536,117	Net asset value	Not applicable	_	Not applicable

	Fair value at June 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 255,051	Discounted cash flow	The weighted average cost of capital	5.50%～11.65%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	$ 1,498,175	Net asset value	Not applicable	_	Not applicable

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	The weighted average cost of capital	±10%	$ -	$ -	$ 10,565	($ 7,996)
	Discount for lack of marketability	±10%	-	-	209,351	(208,828)
			$ -	$ -	$219,916	($ 216,824)

	Input	Change	December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	The weighted average cost of capital	±10%	$ -	$ -	$ 13,890	($ 10,372)
	Discount for lack of marketability	±10%	-	-	206,597	(205,207)
			$ -	$ -	$220,487	($ 215,579)

	Input	Change	June 30, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	The weighted average cost of capital	±10%	$ -	$ -	$ 13,171	($ 9,375)
	Discount for lack of marketability	±10%	-	-	198,162	(196,733)
			$ -	$ -	$211,333	($ 206,108)

13. SUPPLEMENTARY DISCLOSURES

(According to the regulatory requirement, the Group is only required to disclose the information for the six-month period ended June 30, 2023.)

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

As of June 30, 2023, the Group did not invest in Mainland China through any investment method.

(4) Major shareholders information

Major shareholders information: Refer to table 5.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the reportable operating segments based on information provided to the Group's chief operating decision-maker in order to make strategic decisions. The Group's chief operating decision-maker manages the business from an entity's perspective, and reviews the results of its operations and evaluates the performance of the operating segments.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the six-month period ended June 30, 2023					
	Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Nan Fan Housing Development Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	Others	Total
Total segment revenue	$ 4,835,349	$ 5,438,925	$ 2,100	$ 675,298	$ -	$ 10,951,672
Inter-segment revenue	(412,767)	(54,219)	(2,100)	-	-	(469,086)
Revenue from external customers	$ 4,422,582	$ 5,384,706	$ -	$ 675,298	$ -	$ 10,482,586
Interest income	21,202	195	1,340	5,033	43,671	71,441
Depreciation and amortisation	247,308	254,738	146	16,597	-	518,789
Interest expense	110,053	78,096	-	-	-	188,149
Share of profit of associates and joint ventures accounted for under equity method	96,094	-	29,670	-	-	125,764
Segment income (loss) before tax	9,538	(906,973)	(11,157)	100,214	52,658	(755,720)
Investments accounted for under equity method	3,191,792	-	885,332	-	-	4,077,124
Segment assets	34,024,904	9,307,716	1,692,004	1,651,155	3,233,905	49,909,684
Capital expenditure for non-current assets	170,765	139,321	96	104,753	-	414,935
Segment liabilities	17,822,282	3,967,832	1,293	1,235,866	115	23,027,388

	For the six-month period ended June 30, 2022					
	Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Nan Fan Housing Development Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	Others	Total
Total segment revenue	$ 5,734,455	$ 5,917,958	$ 900	$ 550,697	$ -	$ 12,204,010
Inter-segment revenue	(758,127)	(54,730)	(900)	-	-	(813,757)
Revenue from external customers	$ 4,976,328	$ 5,863,228	$ -	$ 550,697	$ -	$ 11,390,253
Interest income	5,829	173	563	1,231	994	8,790
Depreciation and amortisation	247,888	245,529	133	14,328	-	507,878
Interest expense	60,637	19,489	43	-	-	80,169
Share of profit of associates and joint ventures accounted for under equity method	201,059	-	52,508	-	-	253,567
Segment income (loss) before tax	724,135	805,436	52,739	41,253	(34,064)	1,589,499
Investments accounted for under equity method	3,219,196	-	785,882	-	-	4,005,078
Segment assets	35,663,927	10,500,717	2,441,442	1,119,770	1,956,766	51,682,622
Capital expenditure for non-current assets	68,331	156,332	57	15,588	-	240,308
Segment liabilities	18,575,572	3,618,433	1,241	929,003	102	23,124,351

(3) Reconciliation for segment income (loss), assets and liabilities

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the six-month periods ended June 30, 2023 and 2022 is provided as follows:

	For the six-month periods ended June 30, 2023	For the six-month periods ended June 30, 2022
Reportable segments (loss) income before tax	($ 808,378)	$ 1,623,563
Other segments income (loss) before tax	52,658	(34,064)
Write-offs of inter-segment income (loss)	131,377	5,479
(Loss) profit before income tax	($ 624,343)	$ 1,594,978

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements. A reconciliation of assets of reportable segment and total assets is as follows:

	June 30, 2023	June 30, 2022
Assets of reportable segments	$ 46,675,779	$ 49,725,856
Assets of other operating segments	3,233,905	1,956,766
Write-offs of inter-segment transactions	165,034	(1,157,175)
Total assets	$ 50,074,718	$ 50,525,447

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that of the financial statements. A reconciliation of liabilities of reportable segment and total liabilities is as follows:

	June 30, 2023	June 30, 2022
Liabilities of reportable segments	$ 23,027,273	$ 23,124,249
Liabilities of other operating segments	115	102
Write-offs of inter-segment transactions	(298,658)	(681,391)
	$ 22,728,730	$ 22,442,960

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the six-month period ended June 30, 2023

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee	Outstanding endorsement/ guarantee	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
		Company name	Relationship (Note 1)											
1	Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	6	$ 131,796	$ 99,575	$ 99,575	$ 72,790	$ -	76%	$ 131,796	N	N	N	—

Note 1: The following code represents the relationship with Company :

1. Trading partner.
2. Majority owned subsidiary .
3. The Company and subsidiary owns over 50% ownership of the investee company.
4. A subsidiary jointly owned over 50% by the Company and the Company's directly-owned subsidiary.
5. Guaranteed by the Company according to the construction contract.
6. An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.

Note 2: The total amount of transactions of endorsement equals to 100% of the net worth of Tainan Spinning Holding (Cayman Islands) Ltd., the limit of endorsement for any single entity is 100% of the net worth of Tainan Spinning Holding (Cayman Islands) Ltd., and all of the related transactions are to be submitted to the stockholders' meeting for reference.

Note 3: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:31.14.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2023

Table 2

Expressed in thousands of NTD

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of June 30, 2023 Number of shares	Book value	Ownership (%)	Fair value	Note
Tainan Spinning Co., Ltd.	Fine Point Finance Ltd.	—	Financial assets at fair value through other comprehensive income- non-current	-	$ 41,239	11.76%	$ 41,239	—
	T.Y. President Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	-	13,746	11.76%	13,746	—
	President International Development Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	119,070	1,163,534	9.00%	1,163,534	—
	Grand Bills Finance Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	43,999	525,736	8.14%	525,736	—
	Universal Venture Capital Investment Corporation	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	4,300	44,600	3.57%	44,600	—
	Uni-President Asset Management Corp.	—	Financial assets at fair value through other comprehensive income- non-current	1,171	10,010	3.34%	10,010	—
	ScinoPharm Taiwan Ltd.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	23,606	714,079	2.99%	714,079	—
	President Securities Corp.	—	Financial assets at fair value through other comprehensive income- non-current	34,096	593,272	2.34%	593,272	—
	ChinaTrust Investment Co. Ltd.	—	Financial assets at fair value through other comprehensive income- non-current	2,088	927	0.66%	927	—
	Q-ware Systems & Services Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	172	1,724	0.61%	1,724	—
	Taian Insurance Co., Ltd.	—	Financial assets at fair value through other comprehensive income- non-current	686	-	0.23%	-	—

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of June 30, 2023 Number of shares	Book value	Ownership (%)	Fair value	Note
Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	—	Financial assets at fair value through other comprehensive income- non-current	-	$ 130,478	8.50%	$ 130,478	—
Nan Fan International Investment (Cayman Islands) Co., Ltd.	Uni-President China Holdings Ltd.	—	Financial assets at fair value through profit and loss- current	1,304	34,195	-	34,195	—
	Goldman Sachs (Asia) L.L.C.Liberty Harbor Spv II Ltd 100% Of Funds Assets In Illiquid Investments	—	Financial assets at fair value through other comprehensive income- non-current	-	-	-	-	—
Tainan Spinning (Singapore) Pte. Ltd.	All-Stars Investment Private Partners Fund L.P.	—	Financial assets at fair value through profit and loss- non-current	-	143,689	-	143,689	—
	Ally Bridge Group-WTT Global Life Science Capital Partners Growth-Capital Life Science Fund	—	Financial assets at fair value through profit and loss- non-current	-	136,022	-	136,022	—
Nan Fan Housing Development Co., Ltd.	Millerful No.1 Real Estate Invest Trust	—	Financial assets at fair value through profit and loss- current	3,407	34,172	-	34,172	—
	TGVest Capital II, Ltd.	—	Financial assets at fair value through profit and loss- non-current	-	27,294	-	27,294	—
	Eten Technologies Inc.	Subsidiary of the Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	3,159	5,885	19.29%	5,885	—
	Renaissance Capital Limited Partnership	Subsidiary of the Company is the limited partner	Financial assets at fair value through other comprehensive income- non-current	-	50,000	6.41%	50,000	—
	Jardine International Co., Ltd.	—	Financial assets at fair value through other comprehensive income- non-current	7,308	181,241	7.42%	181,241	—
	Prince Housing & Development Corp.	The chairman of the Company is the juristic director's representative	Financial assets at fair value through other comprehensive income- non-current	57,735	692,826	3.56%	692,826	—

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of June 30, 2023				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Nan Fan Housing Development Co., Ltd.	President International Development Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	39,690	$ 387,844	3.00%	$ 387,844	—
	Q-ware Systems & Services Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	699	6,991	2.49%	6,991	—
	ScinoPharm Taiwan Ltd.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	539	16,300	0.07%	16,300	—
	BIOTEQUE CORPORATION	—	Financial assets at fair value through other comprehensive income- non-current	1,000	114,500	1.44%	114,500	—

Note: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:31.14；HKD:NTD 1:3.974.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the six-month period ended June 30, 2023

Table 3

Expressed in thousands of NTD

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	1	Sales	$ 68,422	180 days after shipment, L/C	1%
			1	Accounts receivable	59,652	—	—
		Tainan Textile Co., Ltd.	1	Sales	66,954	180 days after shipment, L/C	1%
			1	Accounts receivable	83,009	—	—
		Tainan Spinning Retail and Distribution Co., Ltd.	1	Rental income	277,216	According to contract	3%
			1	Accounts receivable	44,520	—	—
1	Tainan Spinning Co., Ltd. (Vietnam)	Namtex Co., Ltd.	3	Sales	51,214	60 days after shipment, T/T	—

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: The relationships among the transaction parties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: The percentage of transaction amount over consolidated total revenues or total assets is as follows: Assets and liabilities are calculated using the ending balance over the consolidated total assets at period end; Profit or loss itesms are calculated using the amount of the period over the consolidated total revenue of the period.

Note 4: Transactions among the company and subsidiaries with amount $10,000 thousand and one side of the transaction are disclosed.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Information on investees

For the six-month period ended June 30, 2023

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at June 30, 2023: Number of shares	Shares held as at June 30, 2023: Ownership (%)	Shares held as at June 30, 2023: Book value	Net profit (loss) of the investee for the period	Investment income (loss) recognised by the Company	Note
Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Vietnam	Manufacturing and sales of cotton yarn	$ 2,910,166	$ 2,910,166	145,000,000	100.00	$ 4,262,559	($ 856,231)	($ 850,619)	Subsidiary
	Nan Fan Development Co., Ltd.	Taiwan	Land development	130,000	130,000	13,000,000	100.00	127,807	(43)	(43)	Subsidiary
	Tainan Spinning Holding (Cayman Islands) Ltd.	Cayman Islands	Professional investments	104,447	104,447	3,337,380	100.00	130,797	(150)	(150)	Subsidiary
	Nan Fan International Investment (Cayman Islands) Co., Ltd.	Cayman Islands	Professional investments	29,113	29,113	950,000	100.00	74,982	(4,576)	(4,576)	Subsidiary
	Tainan Spinning (Singapore) Pte. Ltd.	Singapore	Professional investments	2,964,523	2,964,523	94,000,002	100.00	2,897,752	16,315	16,315	Subsidiary
	Tainan Spinning Retail and Distribution Co., Ltd.	Taiwan	Operating department stores	702,628	702,628	50,000,000	100.00	415,288	150,214	150,214	Subsidiary
	Nan Fan Housing Development Co., Ltd.	Taiwan	Commissioned to build public housing and the rental and sale of commercial property	189,793	189,793	187,500,641	99.99	2,905,267	50,795	50,790	Subsidiary
	Nantex Industry Co., Ltd.	Taiwan	Manufacturing, processing and trading of lotions and rubber	156,000	156,000	105,549,052	21.43	2,986,915	413,259	89,094	—
	Howard Beach Resort Kenting Co., Ltd.	Taiwan	Hotels and catering	80,000	80,000	12,000,000	20.00	204,878	35,538	7,000	—
Tainan Spinning Co., Ltd. (Vietnam)	Tainan Textile Co., Ltd.	Vietnam	Manufacturing and sales of cotton, yarn etc.	2,646,900	2,646,900	85,000,000	85.00	2,402,397	(259,918)	-	Subsidiary (Note 1)
Tainan Spinning (Singapore) Pte. Ltd.	Tainan Textile Co., Ltd.	Vietnam	Manufacturing and sales of cotton, yarn etc.	439,895	439,895	15,000,000	15.00	423,940	(259,918)	-	Subsidiary (Note 1)
Nan Fan Housing Development Co., Ltd.	Federal Holding Limited	Samoa	Professional investments	211,841	211,841	6,650,000	100.00	340,210	31,853	-	Subsidiary (Note 1)
	Nantex Industry Co., Ltd.	Taiwan	Manufacturing, processing and trading of lotions and rubber	195,102	195,102	27,362,884	5.56	789,056	413,259	-	(Note 1)
	Nantai Royal Co., Ltd.	Taiwan	Hotels and catering	5,000	5,000	500,000	50.00	3,497	37	-	(Note 1)
	Nanmat Technology Co., Ltd.	Taiwan	Development,production and sales of chemical materials,products, production process and services.	85,262	85,262	1,705,234	3.60	92,778	181,564	-	(Note 1)
Federal Holding Limited	United investment Pte. Ltd.	Singapore	Professional investments	203,967	203,967	6,550,000	100.00	337,615	31,841	-	Subsidiary (Note 1)
United Investment Pte. Ltd.	Namtex Co., Ltd.	Vietnam	Businesses related to wearing, dyeing and sorting of yarns	185,064	185,064	10,121,316	50.00	329,463	65,493	-	Subsidiary (Note 1)

Note 1: According to the related regulations, it is not required to disclose income (loss) recognized by the Company.

Note 2: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:31.14；VND:NTD 1:0.001321.
Investment gains or losses were translated using the average rates for the six-month period ended June,30, 2023 as follows: USD:NTD 1:30.55; VND:NTD 1:0.001298.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Major stockholders information

June 30, 2023

Table 5

Unit:shares

Name of the major stockholders	Number of shares	Ownership (%)
HOU BO YU	103,636,652	6.25%
HOU BO MING	103,110,310	6.22%
HOU BO YI	102,000,691	6.15%

Notes:The information on major stockholders presented in the above table lists the major stockholders whose combined shareholdings of ordinary and preference shares are at least 5% of the Company's total shares, as calculated by the Taiwan Depository & Cleaning Corporation based on the number of dematerialized shares (including treasury shares) which have been registered and delivered on the last working day of the current quarter. The number of shares recorded in the Company's financial statements may be different from the number of dematerialized shares which have completed registration and delivery due to differences in the basis of preparation and calculation.