Stock Code:1463

CHYANG SHENG DYEING & FINSHING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: No. 126, Dagong Rd., Dayuan Dist, Taoyuan City
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Representation Letter

The entities that are required to be included in the combined financial statements of Chyang Sheng Dyeing & Finishing Co., LTD. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Chyang Sheng Dyeing & Finishing Co., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Chyang Sheng Dyeing & Finishing Co., LTD.
Chairman: REN FA CHEN
Date: March 12, 2024

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Independent Auditors' Report

To the Board of Directors of Chyang Sheng Dyeing & Finishing Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Chyang Sheng Dyeing & Finishing Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Dyeing and finishing service revenue

   Refer to Note 4(n) "Revenue recognition" to the consolidated financial statements.

Description of the key audit matter:

The Group engaged in dyeing and finishing processing business, the transaction model of such businesses is that the customers provide the raw fabric, and the Group performs the dyeing and finishing processing of the raw fabric. After analyzing the transaction terms of this business, it is to satisfy the performance obligation and transfer the control of labor to the customer over time. The Group calculates the completion ratio and recognizes the sales revenue based on the progress of the manufacturing work orders. Considering the importance of revenue recognition to the consolidated financial reporting and the impact of revenue recognition to meet performance obligations over time, therefore, the accountant listed it as the key audit matter.

Our principal audit procedures included: understanding of revenue recognition policies adopted by the Group, and comparing them with sales terms to assess the appropriateness of those policies; observing the design of the internal control system of sales revenue on site, and testing the effectiveness of its implementation on a sample basis; sample testing of individual revenue transactions, verification to customer orders, proof of shipment, etc.; selecting samples of sales transactions for the period before and after the end of the year, to review the customer orders, sales terms, inventory completion and shipment records and other related information of these transactions. In addition, the reasonableness of the calculation of the percentage of completion is verified on a sample basis by obtaining the work-in-progress list at the end of the period.

Other Matter

Chyang Sheng Dyeing & Finishing Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHYANG SHENG DYEING & FINISHING CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 223,705	8	253,973	9
1110	Current financial assets at fair value through profit or loss (note 6(b))	501,091	17	512,795	19
1140	Current contract assets (notes 6(r))	13,901	-	11,271	-
1170	Notes and accounts receivable, net (including related parties) (note 6(d), (r) and 7)	62,444	2	84,600	3
130X	Inventories (note 6(e))	571,496	19	431,047	15
1476	Other financial assets (note 7 and 8)	133,490	5	147,163	5
1479	Other current assets	18,848	1	12,401	-
		1,524,975	52	1,453,250	51
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	8,634	-	7,557	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	162,078	6	141,677	5
1551	Investments accounted for using equity method (note 6(f))	456,182	16	441,293	16
1600	Property, plant and equipment (notes 6(h) and 8)	463,566	16	460,491	17
1755	Right-of-use assets (note 6(i))	4,526	-	453	-
1760	Investment property, net (note 6(j) and 8)	253,777	9	254,963	9
1840	Deferred income tax assets (note 6(o))	4,987	-	5,063	-
1995	Other non-current assets (note 8 and 9)	61,132	1	60,346	2
		1,414,882	48	1,371,843	49
	Total assets	$ 2,939,857	100	2,825,093	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2130	Current contract liabilities (note 6(e) and (r))	$ 293,534	10	246,218	9
2171	Notes and accounts payable	56,773	2	56,214	2
2280	Current lease liabilities (note 6(l))	1,545	-	418	-
2305	Other financial liabilities	61,465	2	48,922	2
2399	Other current liabilities	13,121	-	24,517	1
		426,438	14	376,289	14
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(k))	-	-	2,000	-
2570	Deferred income tax liabilities (note 6(o))	105,630	4	99,349	3
2580	Non-current lease liabilities (note 6(l))	2,987	-	41	-
2670	Other non-current liabilities	26,594	1	25,845	1
		135,211	5	127,235	4
	Total liabilities	561,649	19	503,524	18
	Equity attributable to owners of parent (notes 6(p)):				
3110	Ordinary shares	1,732,684	59	1,732,684	61
3200	Capital surplus	277,476	9	273,926	10
	Retained earnings:				
3310	Legal reserve	199,926	7	192,540	7
3320	Special reserve	56,835	2	56,835	2
3350	Unappropriated retained earnings	109,228	4	77,751	3
		365,989	13	327,126	12
	Other equity:				
3411	Exchange differences on translation of foreign financial statements	(28,950)	(1)	(22,752)	(1)
3420	Unrealized gains or losses from financial assets at fair value through other comprehensive income	34,857	1	18,773	1
		5,907	-	(3,979)	-
3500	Treasury shares	(108,791)	(4)	(108,791)	(4)
36XX	Non-controlling interests (note 6(g))	104,943	4	100,603	3
	Total equity	2,378,208	81	2,321,569	82
	Total liabilities and equity	$ 2,939,857	100	2,825,093	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHYANG SHENG DYEING & FINISHING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	**Net operating revenues (notes 6(r) and 7)**	$ 347,508	100	495,932	100
5000	**Operating costs (notes 6(e), (n) and 12)**	331,750	95	419,379	85
	Gross profit from operations	15,758	5	76,553	15
	Operating expenses (notes 6(d), (l), (n), (s) and 12):				
6100	Selling expenses	10,408	3	11,908	2
6200	Administrative expenses	51,993	15	50,025	10
6300	Research and development expenses	9,083	3	9,314	2
6450	Impairment loss (reversal of impairment loss)	(800)	-	740	-
		70,684	21	71,987	14
	Net operating income (loss)	(54,926)	(16)	4,566	1
	Non-operating income and expenses:				
7010	Other income (notes 6(m), (t) and 7)	80,375	23	73,854	15
7020	Other gains and losses (note 6(u))	58,092	17	(22,730)	(5)
7060	Share of profit of associates accounted for using equity method (note 6(f))	39,831	11	33,215	7
7100	Interest income (note 6(t))	2,857	1	1,858	-
7510	Interest expense (note 6(l))	(5,348)	(2)	(3,859)	(1)
		175,807	50	82,338	16
7900	**Profit before income tax**	120,881	34	86,904	17
7950	Less: income tax expenses (note 6(o))	13,579	4	18,025	4
	Profit	107,302	30	68,879	13
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains on remeasurements of defined benefit plans (note 6(n))	891	-	5,178	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	20,401	6	(242)	-
	Items that may not be reclassified subsequently to profit or loss	21,292	6	4,936	1
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation	(6,198)	(2)	33,082	7
8300	**Other comprehensive income (after tax)**	15,094	4	38,018	8
	Comprehensive income	**$ 122,396**	**34**	**106,897**	**21**
	Profit attributable to:				
	Owners of parent	$ 107,279	30	68,684	13
	Non-controlling interests	23	-	195	-
		$ 107,302	**30**	**68,879**	**13**
	Comprehensive income (loss) attributable to:				
	Owners of parent	$ 118,056	33	106,702	21
	Non-controlling interests	4,340	1	195	-
		$ 122,396	**34**	**106,897**	**21**
	Basic earnings per share (NT dollars) (note 6(q))	**$**	**0.65**		**0.42**
	Diluted earnings per share (NT dollars) (note 6(q))	**$**	**0.65**		**0.42**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHYANG SHENG DYEING & FINISHING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gain (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 1,732,684	270,375	184,567	56,835	81,169	(55,834)	19,015	(108,791)	2,180,020	102,199	2,282,219
Profit for the year ended December 31, 2022	-	-	-	-	68,684	-	-	-	68,684	195	68,879
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	5,178	33,082	(242)	-	38,018	-	38,018
Comprehensive income for the year ended December 31, 2022	-	-	-	-	73,862	33,082	(242)	-	106,702	195	106,897
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	7,973	-	(7,973)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(69,307)	-	-	-	(69,307)	-	(69,307)
Cash dividends of the Company received by its subsidiaries	-	-	-	-	-	-	-	-	-	(1,791)	(1,791)
Non-proportional investment in investee's increase in capital	-	3,551	-	-	-	-	-	-	3,551	-	3,551
Balance at December 31, 2022	1,732,684	273,926	192,540	56,835	77,751	(22,752)	18,773	(108,791)	2,220,966	100,603	2,321,569
Profit for the year ended December 31, 2023	-	-	-	-	107,279	-	-	-	107,279	23	107,302
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	891	(6,198)	16,084	-	10,777	4,317	15,094
Comprehensive income for the year ended December 31, 2023	-	-	-	-	108,170	(6,198)	16,084	-	118,056	4,340	122,396
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	7,386	-	(7,386)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(69,307)	-	-	-	(69,307)	-	(69,307)
Non-proportional investment in investee's increase in capital	-	3,550	-	-	-	-	-	-	3,550	-	3,550
Balance at December 31, 2023	**$ 1,732,684**	**277,476**	**199,926**	**56,835**	**109,228**	**(28,950)**	**34,857**	**(108,791)**	**2,273,265**	**104,943**	**2,378,208**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHYANG SHENG DYEING & FINISHING CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit before tax	$ 120,881	86,904
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	44,133	42,540
Expected credit (gain) loss	(800)	740
Interest expense	5,348	3,859
Interest revenue	(2,857)	(1,858)
Dividend income	(17,810)	(22,803)
Share of profit of investments accounted for using equity method	(39,831)	(33,215)
Loss (gain) from disposal of property, plant and equipment	1,028	(95)
(Gain) loss on disposal of investment properties	(33,050)	17,565
Impairment (gain) loss on financial assets	(39,608)	5,388
Impairment loss	12,915	-
Total adjustments to reconcile profit (loss)	(70,532)	12,121
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	83,285	123,552
Contract assets	(2,630)	3,471
Notes and accounts receivable (including related parties)	22,956	970
Inventories	(140,440)	(129,417)
Other financial assets and current assets	2,420	(1,473)
Defined benefit assets	(1,597)	(1,459)
Total changes in operating assets	(36,006)	(4,356)
Contract liabilities	41,981	45,733
Notes and accounts payable	559	(7,857)
Other financial liabilities and current liabilities	(7,567)	(796)
Total changes in operating assets and liabilities	(1,033)	32,724
Total adjustments	(71,565)	44,845
Cash inflow generated from operations	49,316	131,749
Interest received	2,857	1,858
Dividends received	17,810	22,803
Interest paid	(21)	(10)
Income taxes paid	(14,671)	(14,988)
Net cash flows from operating activities	55,291	141,412
Cash flows from investing activities:		
Dividends received from investments accounted for using equity method	10,629	10,317
Acquisition of investments accounted for using equity method	(4,800)	-
Acquisition of property, plant and equipment	(25,940)	(63,369)
Proceeds from disposal of property, plant and equipment	399	95
(Increase) decrease in refundable deposits	(80)	9,655
Decrease (increase) in other non-current assets	1,782	(1,884)
Net cash flows used in investing activities	(18,010)	(45,186)
Cash flows from financing activities:		
(Repayments of) proceed from long-term debt	(2,000)	2,000
Increase in guarantee deposits received	749	675
Dividends paid from subsidiary to non-controlling shares	-	(1,791)
Payment of lease liabilities	(541)	(758)
Cash dividends paid	(65,757)	(65,756)
Net cash flows used in financing activities	(67,549)	(65,630)
Net (decrease) increase in cash and cash equivalents	(30,268)	30,596
Cash and cash equivalents at beginning of period	253,973	223,377
Cash and cash equivalents at end of period	**$ 223,705**	**253,973**

See accompanying notes to financial statements.

(1) Company history

Chyang Sheng Dyeing & Finshing Co., Ltd. ("The Company") was incorporated in the Republic of China on October 19, 1983, registered at No. 126, Dagong Rd., Dayuan Dist, Taoyuan City. The consolidated financial statements comprise the Company and subsidiaries (together referred to as the "Group"). The major business activities of the Group are processing, printing, bleaching, dyeing and finishing and trading of various fiber products.

The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) on December 5, 1996.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Expect for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

CHYANG SHENG DYEING & FINISHING CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Note**
The Company	Hong Sheng Investment Co., Ltd. (Hong Sheng Investment)	General investing	- %	100.00 %	Note 1
〃	Progiant Construction & Development Corporation (Progiant Construction)	Entrust construction companies to build the rental and sales business of national residences and commercial buildings	83.68 %	83.68 %	
〃	Worthy Textile Industry Co., Ltd. (Worthy Textile)	General investing	100.00 %	100.00 %	
Worthy Textile	Sea Some International Development Co., Ltd. (Sea Some International)	International trade	100.00 %	100.00 %	Note 1

Note 1：Hong Sheng Investment merged with Worthy Textile on December 1, 2023, with Worthy Textile being the sole existing company, acquiring the relevant investees of Hong Sheng Investment, based on the resolution approved during the Company's board meeting held on Novemeber 9, 2023.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(Continued)

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

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

(Continued)

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

In addition, the business cycle of constructing business, engaged in the Group, is longer than one year. The relevant assets and liabilities of construction business are defined as non-current or non-current based on the business cycle.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accouts receivable, other receivables, guarantee deposit paid and other financial assets) and contract assets.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data：

· significant financial difficulty of the borrower or issuer；

· a breach of contract such as a default or being more than 180 days past due；

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；

· it is probable that the borrower will enter bankruptcy or other financial reorganization；or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital suplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

(i) Manufacturing

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(ii) Construction and development business

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes capitalisation of interest and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses. The measurement of net realizable value is as follows:

1) Construction sites: The net realizable value is calculated on the basis of the estimated current market conditions judged by the management.

2) Construction-in-progress: The net realizable value is calculated on the basis of the expected selling price (based on the current market conditions) less cost of construction completion and selling costs.

3) Buildings and land held for sale: The NRV is the estimated selling price (with reference to the management authority's estimation based on prevailing market conditions) less estimated costs to be incurred in selling the properties and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group’s interests in the associate.

When the Group’s share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group’s proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group’s ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

(Continued)

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and construction: 2~25 years

2) Machinery and equipment: 2~10 years

3) Office and other equipment: 2~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(m) Impairment – non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units（CGUs）. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

(Continued)

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(n) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods–real estate

The Group develops and sells residential properties, and revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to the amounts performed to date becomes available to the Group, after the legal title to the properties is transferred to the customer. Therefore, revenue is recognized at a point in time when the legal title to the properties is transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. For sales of existing homes, in most cases, in most cases, the consideration is due when legal title to a property has been transferred. While deferred shall not exceed twelve months. The transaction price is therefore not adjusted to reflect the effects of significant financing components. For pre-selling properties, the consideration is usually received in installments during the period from the signing of the contract to the transfer of properties to the customer. If the contract contains a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as a contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liabilities is recognized as the revenue when control over the property has been transferred to the customer.

2) Service revenue

The Group provides OEM service of fabric dyeing and finishing to services customers, and the related services are gradually transferred to the control of customers in the course of contract performance. Therefore, the Group's service revenue is recognized based on the degree of completion of contract performance obligations on the reporting date. Fixed-price contracts are recognized as revenue based on the proportion of the actual OEM processes provided to all processes as of the reporting date. If circumstances change, the estimates of revenues, costs and degree of completion will be revised, and the resulting increases or decreases will be reflected in profit or loss in the period in which the management is informed of the change in circumstances.

(Continued)

3) Financing components

The Group does not expect to have any contracts when the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

4) Contract costs

The Group entrust advertisers for selling real estate, The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, and amortized on a systematic basis consist with when the control of over the property has been transferred to the customer. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

(Continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nortaxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(Continued)

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, including employee compensation.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparation of these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment of whether the Group has substantive control over its investees

The Group holds 33.61% of the outstanding voting shares of Treasure Star and Chyang Sheng Vietnam. Although the remaining company’ s shares are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of company’ s directors, and it also cannot obtain more than half of the voting rights at a shareholders’ meeting. Therefore, it is determined that the Group has significant influence on its investees.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(b) Revenue recognition

Contract revenue are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Estimated total contract costs of contracted items are assessed and determined by the management based on the processes, expected processes date and methods, for each contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits from contracts.

The Group’s accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Group’s finance department personnel responsible for independent fair value validation, by independent sources of information to make the evaluation results close to the market status, confirm the source of independent, reliable, consistent with other resources. It also on behalf of the executable price, regularly update calibration evaluation model, evaluation of the required input value and the fair value of data and any necessary adjustment, ensure that the evaluation results are reasonable.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(v) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash and demand deposits	$ 94,917	103,846
Time deposits	128,788	150,127
Cash and cash equivalents in consolidated statement of cash flows	**$ 223,705**	**253,973**

(i) Please refer to note 6(v) for the exchange rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(ii) Time deposits with original maturity within one year are used to meet short-term cash commitments rather than investment or other purposes, and can be converted into fixed cash at any time with little risk of value changes, so presented in cash and cash equivalents.

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss		
Stocks listed on domestic markets	$ 425,428	261,440
Public company	8,634	7,557
Open-end Funds	75,663	251,355
Total	**$ 509,725**	**520,352**

	December 31, 2023	December 31, 2022
Current	**$ 501,091**	**512,795**
Non-Current	**$ 8,634**	**7,557**

(c) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Stocks listed on domestic markets	$ 496	437
Unlisted stocks	161,582	141,240
Total	**$ 162,078**	**141,677**

(Continued)

(i) Equity investments at fair value through other comprehensive income.

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term strategic purposes.

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

(iii) For credit risk and market risk, please refer to note 6 (v).

(iv) As of December 31, 2023 and 2022, none of the financial assets mentioned above had been pleged as collateral.

(d) Notes and accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Notes receivable	$ 36,564	21,416
Accounts receivable (including related parties)	25,931	64,372
Less: Loss allowance	(51)	(1,188)
	$ 62,444	84,600

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 24,992	0%	-
0 to 90 days past due	928	0%~5%	47
91 to 180 days past due	11	0%~40%	4
	$ 25,931		51

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 47,015	0%	-
0 to 90 days past due	17,021	0%~5%	852
More than 181 days past due	336	100%	336
	$ 64,372		1,188

(Continued)

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The movement in the allowance for accounts receivable were as follows:

	2023	2022
Balance at January 1	$ 1,188	448
Impairment (gains)/losses recognized	(800)	740
Amount written off	(337)	-
Balance at December 31	**$ 51**	**1,188**

The aforementioned notes and accounts receivable of the Group had not been pledged as collateral as of December 31, 2023 and 2022.

(e) Inventories

(i) Inventory details

	December 31, 2023	December 31, 2022
Weaving, dyeing and printing business		
Raw material	**$ 20,102**	**21,338**
Construction and development business		
Land held for construction	$ 20,860	21,761
Construction in progress	530,534	387,948
Subtotal	551,394	409,709
Total	**$ 571,496**	**431,047**

The loss (gain) relevant to inventories included in cost of sales were as follows:

	2023	2022
Unallocated production overheads	$ 46,794	22,875
Revenue from sale of scraps	(2,553)	(2,427)
	$ 44,241	**20,448**

(ii) Construction and development business

	December 31, 2023				
Item	**Land under construction (Land held for construction)**	**Construction in progress**	**Buildings and lands held for sale**	**Total**	**Contract liability**
Zhongshan urban renewal	$ -	461,142	-	461,142	293,534
Case of Roosevelt	-	21,971	-	21,971	-
Case of Xining N. Rd.	3,595	13,303	-	16,898	-
Case of Guang Huei	14,019	-	-	14,019	-
Other	3,246	34,118	-	37,364	-
	$ 20,860	**530,534**	**-**	**551,394**	**293,534**

	December 31, 2022				
Item	**Land under construction (Land held for construction)**	**Construction in progress**	**Buildings and lands held for sale**	**Total**	**Contract liability**
Zhongshan urban renewal	$ -	345,812	-	345,812	246,218
Case of Guang Huei	14,020	-	-	14,020	-
Case of Xining N. Rd.	3,595	9,458	-	13,053	-
Case of Roosevelt	900	10,004	-	10,904	-
Other	3,246	22,674	-	25,920	-
	$ 21,761	**387,948**	**-**	**409,709**	**246,218**

1) The construction inventories listed above are expected to be recovered over a period of more than twelve months.

2) Interest capitalized for construction for 2023 and 2022 are $9 thousand and $12 thousand, respectively, and rate are 2.475% and 2.350%, respectively.

(iii) As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral for its loans.

(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2023	**December 31, 2022**
Associates	**$ 456,182**	**441,293**

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(i) Associates which are material to the Group consisted of the followings:

Name of associates	Nature of relationship with the Group	Main operating loation/Registered country of the company	Proportion of shareholding and voting rights December 31, 2023	Proportion of shareholding and voting rights December 31, 2022
Chyang Sheng Vietnam	Dyeing and printing business	Vietnam	33.61 %	33.61 %
Treasure Star	International trade	Samoa	33.61 %	33.61 %
NICSing Tex	Dyeing and printing business	Taiwan	48 %	- %

The following consolidated financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

1) Chyang Sheng Vietnam:

	December 31, 2023	December 31, 2022
Current assets	$ 332,521	400,419
Non-current assets	378,213	467,224
Current liabilities	(113,282)	(223,233)
Non-current liabilities	(55,637)	(75,928)
Net assets	**$ 541,815**	**568,482**
Net assets attributable to the Group	**$ 541,815**	**568,482**

	2023	2022
Operating revenue	**$ 719,319**	**713,083**
Net loss	$ (9,281)	(35,289)
Other comprehensive income	(17,386)	41,476
Total comprehensive income	**$ (26,667)**	**6,187**
Comprehensive income attributable to the Group	**$ (26,667)**	**6,187**

	2023	2022
Share of net assets of associates as of January 1	$ 191,043	188,964
Comprehensive income attributable to the Group	(8,962)	2,079
Share of net assets of associates as of December 31	182,081	191,043
Add: Net equity difference	12,227	25,142
Balance of equity of associates attributable to the Group as of December 31	**$ 194,308**	**216,185**

(Continued)

2) Treasure Star:

		December 31, 2023	December 31, 2022
Current assets	$	888,837	856,881
Non-current assets		28,778	49,215
Current liabilities		(177,410)	(262,515)
Non-current liabilities		-	-
Net assets	$	**740,205**	**643,581**
Net assets attributable to the Group	$	**740,205**	**643,581**

		2023	2022
Operating revenue	$	**1,341,842**	**1,434,100**
Net income		129,301	134,109
Other comprehensive income (loss) income		(1,056)	56,954
Total comprehensive income	$	**128,245**	**191,063**
Comprehensive income attributable to the Group	$	**128,245**	**191,063**

		2023	2022
Share of net assets of associates as of January 1	$	216,325	162,424
Comprehensive income attributable to the Group		43,103	64,218
Dividends received from associates		(10,629)	(10,317)
Share of net assets of associates as of December 31		248,799	216,325
Add: Net equity difference		8,783	8,783
Balance of equity of associates attributable to the Group as of December 31	$	**257,582**	**225,108**

(ii) The Group and IDEATEX CO., LTD. established an associate, NICSing Tex, wherein the Group holds 48% shares in it, with the approval of the Taoyuan City Government on August 17, 2023. All related registration procedures had been completed as of the reporting date. As of December 31, 2023, the Group had an equity balance of $4,292 thousand in its associate.

(iii) As of December 31, 2023 and 2022, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(iv) None of the associates invested by the Group has a public market quotation.

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(g) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2023**	**December 31, 2022**
Progiant Construction	Taiwan	16.32 %	16.32 %

(i) Progiant Construction collective financial information were as follows. The following information has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intragroup transactions were not eliminated in this information.

	December 31, 2023	**December 31, 2022**
Current assets	$ 773,319	726,490
Non-current assets	190,491	164,534
Current liabilities	(319,287)	(271,058)
Non-current liabilities	(1,327)	(3,368)
Net assets	**$ 643,196**	**616,598**
Non-controlling interests	**$ 104,943**	**100,603**

	2023	**2022**
Operating revenue	**$ -**	**1,470**
Net income	$ 138	1,195
Other comprehensive income	26,460	-
Total comprehensive income	**$ 26,598**	**1,195**
Profit, attributable to non-controlling interests	**$ 23**	**195**
Comprehensive income, attributable to non-controlling interests	**$ 4,340**	**195**
Net cash flows from operating activities	$ 33,971	13,515
Net cash flows from investing activities	9,660	9,655
Net cash flows from financing activities	(2,000)	(8,972)
Net increase in cash and cash equivalents	**$ 41,631**	**14,198**

(Continued)

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(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022 were as follows:

		Land	Buildings and construction	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost:							
Balance on January 1, 2023	$	294,727	264,905	551,555	429,227	4,921	1,545,335
Additions		-	3,139	2,882	6,438	27,801	40,260
Disposal		-	-	(72,979)	(1,779)	-	(74,758)
Reclassify to investment property		-	(526)	-	-	-	(526)
Transfer from (to)		-	755	9,116	5,998	(9,221)	6,648
Balance on December 31, 2023	$	**294,727**	**268,273**	**490,574**	**439,884**	**23,501**	**1,516,959**
Balance on January 1, 2022	$	296,505	257,291	585,097	439,875	12,279	1,591,047
Additions		-	7,470	2,550	10,057	43,292	63,369
Disposal		-	-	(60,690)	(35,342)	-	(96,032)
Transfer from inventory		(1,778)	(20,702)	-	-	-	(22,480)
Transfer from (to)		-	20,846	24,598	14,637	(50,650)	9,431
Balance on December 31, 2022	$	**294,727**	**264,905**	**551,555**	**429,227**	**4,921**	**1,545,335**
Accumulated depreciation:							
Balance on January 1, 2023	$	-	231,725	466,207	386,912	-	1,084,844
Depreciation		-	10,909	18,873	12,654	-	42,436
Disposal		-	-	(71,672)	(1,659)	-	(73,331)
Reclassify to investment property		-	(556)	-	-	-	(556)
Balance on December 31, 2023	$	**-**	**242,078**	**413,408**	**397,907**	**-**	**1,053,393**
Balance on January 1, 2022	$	-	239,752	509,190	410,646	-	1,159,588
Depreciation		-	11,276	17,707	11,608	-	40,591
Disposal		-	-	(60,690)	(35,342)	-	(96,032)
Reclassify to investment property		-	(19,303)	-	-	-	(19,303)
Balance on December 31, 2022	$	**-**	**231,725**	**466,207**	**386,912**	**-**	**1,084,844**
Carrying amounts:							
Balance on December 31, 2023	$	**294,727**	**26,195**	**77,166**	**41,977**	**23,501**	**463,566**
Balance on December 31, 2022	$	**294,727**	**33,180**	**85,348**	**42,315**	**4,921**	**460,491**
Balance on January 1, 2022	$	**296,505**	**17,539**	**75,907**	**29,229**	**12,279**	**431,459**

As of December 31, 2023 and 2022, the property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

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(i) Right-of-use assets

Information about vehicles leases for which the Group is a lessee was presented below:

		Vehicles
Cost:		
Balance at January 1, 2023	$	2,265
Additions		4,614
Write-off		(1,541)
Balance at December 31, 2023	**$**	**5,338**
Balance at January 1, 2022 (the same as ending balance)	**$**	**2,265**
Accumulated depreciation:		
Balance at January 1, 2023	$	1,812
Depreciation for the year		541
Write-off		(1,541)
Balance at December 31, 2023	**$**	**812**
Balance at January 1, 2022	$	1,057
Depreciation for the year		755
Balance at December 31, 2022	**$**	**1,812**
Carrying amount:		
Balance at December 31, 2023	**$**	**4,526**
Balance at December 31, 2022	**$**	**453**
Balance at January 1, 2022	**$**	**1,208**

(j) Investment property

		Owned property		
		Land	**Buildings**	**Total**
Cost:				
Balance at January 1, 2023	$	263,130	187,260	450,390
Reclassification		-	526	526
Balance at December 31, 2023	**$**	**263,130**	**187,786**	**450,916**
Balance at January 1, 2022	$	261,352	166,558	427,910
Reclassification		1,778	20,702	22,480
Balance at December 31, 2022	**$**	**263,130**	**187,260**	**450,390**

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	Owned property		
	Land	**Buildings**	**Total**
Accumulated depreciation and impairment losses:			
Balance at January 1, 2023	$ 11,490	183,937	195,427
Depreciation for the year	-	1,156	1,156
Reclassification	-	556	556
Balance at December 31, 2023	**$ 11,490**	**185,649**	**197,139**
Balance at January 1, 2022	$ 11,490	163,440	174,930
Depreciation for the year	-	1,194	1,194
Reclassification	-	19,303	19,303
Balance at December 31, 2022	**$ 11,490**	**183,937**	**195,427**
Carrying amount:			
Balance at December 31, 2023	**$ 251,640**	**2,137**	**253,777**
Balance at December 31, 2022	**$ 251,640**	**3,323**	**254,963**
Balance at January 1, 2022	**$ 249,862**	**3,118**	**252,980**
Fair value:			
Balance at December 31, 2023			**$ 3,004,405**
Balance at December 31, 2022			**$ 2,819,472**

(i) Investment property comprises office buildings that are leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 1 to 5 years. The subsequent lease term will be negotiated with the lessee, and no contingent rent will be charged. Please refer to note 6(m).

(ii) The fair value of investment properties aforementioned was evaluated based on third-party quotation information, classified to Level 3 fair value.

(iii) As of December 31, 2023 and 2022, the investment property of the Group had been pledged as collateral; please refer to note 8.

(k) Long-term borrowings

The details were as follows:

	December 31, 2023	**December 31, 2022**
Secured bank loans	**$ -**	**2,000**
Borrowing rate range at the end of the period	**- %**	**2.35%**

(Continued)

(i) The pledged for long-term borrowing, please refer to note 8.

(ii) The above-mentioned borrowings have been repaid in advance in the first quarter of 2023.

(l) Lease liabilities

The lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ **1,545**	**418**
Non-current	$ **2,987**	**41**

For the maturity analysis, please refer to note 6(v) financial instruments.

The amounts recognized in profit or loss was as follows:

	2023	2022
Interest on lease liabilities	$ **12**	**10**
Expenses relating to short-term leases	$ **4,377**	**4,293**

The amounts recognized in the statement of cash flows by the Group were as follows:

	2023	2022
Total cash outflow for leases	$ **4,930**	**5,061**

(m) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(j) investment property that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2023	December 31, 2022
Less than one year	$ 43,727	30,360
One to five years	101,601	60,498
Total undiscounted lease payments	$ **145,328**	**90,858**

Rental income from investment properties in 2023 and 2022 were $50,237 thousand and $45,568 thousand, respectively.

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(n) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	(34,645)	(39,784)
Fair value of plan assets		43,349	46,001
Net defined benefit assets	**$**	**8,704**	**6,217**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits calculated based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group’ s Bank of Taiwan labor pension reserve account balance amounted to $43,349 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

		2023	2022
Defined benefit obligation on January 1	$	39,784	50,030
Benefit paid		(5,208)	(9,334)
Current service costs and interest cost		619	480
Remeasurements loss (gain)			
- Experience loss		(753)	79
- Actuarial gain arising from financial assumptions		203	(1,471)
Defined benefit obligation on December 31	**$**	**34,645**	**39,784**

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3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

		2023	2022
Fair value of plan assets on January 1	$	46,001	49,610
Contributions paid by the employer		1,560	1,561
Benefits paid		(5,208)	(9,334)
Interest income		655	378
Remeasurements loss - Return on plan asstes (excluding interest income)		341	3,786
Fair value of plan assets on December 31	**$**	**43,349**	**46,001**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

		2023	2022
Current service cost	$	79	115
Net interest of net assets for defined benefit obligations		(115)	(13)
	$	**(36)**	**102**
Operating cost	$	(25)	62
Selling expenses		(2)	11
Administration expenses		(7)	19
Research and development expenses		(2)	10
	$	**(36)**	**102**

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2023	2022
Discount rate	1.300 %	1.400 %
Future salary increase rate	1.125 %	1.125 %

Expected long-term return on assets was based on the portfolio as a whole, not the sum of individual asset class returns. This rate of return was purely based on historical rates of return without adjustments.

(Continued)

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $1,560 thousand.

The weighted average lifetime of the defined benefits plans is 7 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on defined benefit obligations	
	Increase 0.25%	**Decrease 0.25%**
December 31, 2023		
Discount rate	$ **(520)**	**533**
Future salary increasing rate	$ **519**	**(508)**
December 31, 2022		
Discount rate	$ **(580)**	**595**
Future salary increasing rate	$ **581**	**(569)**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Group allocates 6% of each employee' s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of Labour Insurance amounted to $3,560 thousand and $3,754 thousand for the years ended December 31, 2023 and 2022, respectively.

(Continued)

(o) Income taxes

(i) The components of income tax in the years 2023 and 2022 were as follows:

	2023	2022
Current tax expense	$ 7,222	10,776
Deferred tax expense	6,357	7,249
Income tax expense	**$ 13,579**	**18,025**

(ii) The Group has no income tax recognized directly in equity nor other comprehensive income for 2022 and 2022.

(iii) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	2023	2022
Profit excluding income tax	$ 120,881	86,904
Income tax using the Company’s domestic tax rate	43,275	25,562
Change in unrecognized deferred tax assest	2,551	370
Tax effect of permanent differences	(34,007)	(5,544)
Change in provision in prior periods	1,760	(2,363)
	$ 13,579	**18,025**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	$ 31,071	28,401
The carryforward of unused tax losses	-	119
	$ 31,071	**28,520**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

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2) Recognized deferred tax assets

Changes in the amount of deferred tax assets for 2023 and 2022 were as follows:

	Pension costs	Deferred promotional expenses and others	Total
Balance on January 1, 2023	$ 1,492	3,571	5,063
Recognized in profit or loss	498	(574)	(76)
Balance on December 31, 2023	**$ 1,990**	**2,997**	**4,987**
Balance on January 1, 2022	$ 2,819	3,586	6,405
Recognized in profit or loss	(1,327)	(15)	(1,342)
Balance on December 31, 2022	**$ 1,492**	**3,571**	**5,063**

3) Recognized deferred tax liabilities

Changes in the amount of deferred tax liabilities for 2023 and 2022 were as follows:

	Land revaluation appreciation allowance	Others	Total
Balance on January 1, 2023	$ 67,994	31,355	99,349
Recognized in profit or loss	-	6,281	6,281
Balance on December 31, 2023	**$ 67,994**	**37,636**	**105,630**
Balance on January 1, 2022	$ 67,994	25,448	93,442
Recognized in profit or loss	-	5,907	5,907
Balance on December 31, 2022	**$ 67,994**	**31,355**	**99,349**

(v) The Company’s ,Progiant Construction's, Worthy Textile's, Hong Sheng Investment's, and Sea Some International's tax returns for the year through 2021 were assesed by the tax authority.

(p) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the number of authorized ordinary shares were 300,000 shares with par value of $10 per share. The total value of authorized ordinary shares were amounted to $3,000,000 thousand. The total issued shares were 173,268 thousand shares. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Share capital	$ 2,141	2,141
Treasury share transactions	215,049	211,499
Difference arising from subsidiary's share price and its carrying value	31,124	31,124
Changes in proportion of shareholding of associates	29,162	29,162
	$ 277,476	273,926

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding. Among them, if the capital reserve transferred in from the share capital is used to capitalize, the capital reserve transferred in shall be capitalized in the year following the approval and registration of the capital reserve by the competent authority.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Dividends shall be distributed in accordance with the rates set forth in the Company's Articles of Incorporation, taking into account the changing nature of the business and the future capital requirements of the life cycle of each product or service and the impact of the tax system, and with the goal of maintaining a stable dividend. Dividends shall be paid at a rate of not less than 20% of the net income after deducting the amount of loss recovery, legal reserve and special reserve for the current year, and the cash dividends shall not be less than 10% of the total dividends for the current year, except for the purpose of improving the financial structure and meeting capital requirements for reinvestment, capacity expansion or other major capital.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of the capital may be distributed.

2) Special reserve

The Company chose to apply the exemption under IFRS 1 at its initial adoption of IFRS Accounting Standards Including accumulated translation adjustment incurred reset, adoption of deemed cost waiver and lump-sum recognition of pension actuarial benefits are classified to retained earnings at the amount of $143,305 thousand. The Company shall allocate the same amount in special reserve in accordance with the requirements issued by the Financial Supervisory Commission. However, in the consolidated financial statements prepared by the company in accordance with IFRS on January 1, 2012, the retained earnings was $56,835 thousand, so the full amount is listed as special reserve. In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. (When the Company distributes its 2021 earnings in 2022, a portion of its current-period earnings and undistributed prior-period earnings shall be reclassified to special earnings reserve. When the Company distributes its 2022 earnings in 2023, the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and undistributed prior-period earnings, shall be reclassified to special earnings reserve.) A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The amounts of special reserve as of December 31, 2023 and 2022 both were $56,835 thousand.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2022 and 2021 had been approved during the shareholders' meeting on June 28, 2023 and June 27, 2022, respectively. The relevant dividend distributions to shareholders were as follows, and the relevant information can be inquired at the Market Observation Post System.

	2022		2021	
	Amount per share	**Total Amount**	**Amount per share**	**Total Amount**
Dividends distributed to ordinary shareholders				
Cash Dividends	$ 0.4	**69,307**	0.4	**69,307**

(iv) Treasury shares

As of December 31, 2023 and 2022, the total amount of treasury shares both were $108,791, and 8,875 thousand shares, in which acquired by Hong Sheng Investment (subsidiary of the Company) in November, 2001 before the amendment of the Company Law. Hong Sheng Investment merged with Worthy Textile on December 1, 2023, with Worthy Textile being the sole existing company, acquiring the treasury shares of Hong Sheng Investment.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(q) Earnings per share

The details on the calculation of basic earnings per share and diluted earnings per share were as follows:

(i) Basic earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ **107,279**	**68,684**
Weighted average number of ordinary shares at 31 December (in thousands)	**164,393**	**164,393**
Basic earnings per share	$ **0.65**	**0.42**

	2023	2022
Issued ordinary shares at 1 January	173,268	173,268
Effect of treasury shares held	(8,875)	(8,875)
Weighted average number of ordinary shares at 31 December	**164,393**	**164,393**

(ii) Diluted earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ **107,279**	**68,684**
Weighted average number of ordinary shares at 31 December (diluted/ in thousands)	**164,470**	**164,466**
Diluted earnings per share	$ **0.65**	**0.42**

	2023	2022
Weighted average number of ordinary shares (basic)	173,268	173,268
Effect of treasury shares held	(8,875)	(8,875)
Effect of estimated employee share bonus	77	73
Weighted average number of ordinary shares (diluted) at December 31	**164,470**	**164,466**

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(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023			
	Weaving and dyeing and Finishing	**Construction**	**Other**	**Total**
Primary geographical markets				
Taiwan	**$ 343,518**	**-**	**3,990**	**347,508**
Major products/services lines				
Cloth processing	$ 343,514	-	-	343,514
Others	4	-	3,990	3,994
	$ 343,518	**-**	**3,990**	**347,508**

	2022			
	Weaving and dyeing and Finishing	**Construction**	**Other**	**Total**
Primary geographical markets				
Taiwan	**$ 486,163**	**1,470**	**8,299**	**495,932**
Major products/services lines				
Cloth processing	$ 485,938	-	-	485,938
Sale of real estate	-	1,470	-	1,470
Others	225	-	8,299	8,524
Cloth processing	**$ 486,163**	**1,470**	**8,299**	**495,932**

(ii) Contract balances

	December 31, 2023	**December 31, 2022**
Notes and accounts receivable	$ 62,495	85,788
Less: allowance for impairment	(51)	(1,188)
Total	**$ 62,444**	**84,600**
Contract asset-OEM	$ 13,901	11,271
Less: allowance for impairment	-	-
Total	**$ 13,901**	**11,271**
Contract liabilities- Sale of real estate	**$ 293,534**	**246,218**

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(i) For details on accounts receivables and allowance for impairment, please refer to note 6(d).

(ii) The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $0 thousand.

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit before income taxe as employee compensation and not exceed 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $1,149 thousand and $825 thousand, and directors' and supervisors' remuneration amounting to $3,446 thousand and $2,474 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(t) Interest income and other income

The details of interest income and other income for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Interest income from bank deposits	$ **2,857**	**1,858**

	2023	2022
Rental income	$ 50,237	45,568
Dividend income	17,810	22,803
Others	12,328	5,483
	$ **80,375**	**73,854**

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(u) Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022, were as follows:

	2023	2022
Gains (Losses) on disposals of investments	$ 33,050	(17,565)
Gains (Losses) on disposals of property, plant and equipment	(1,028)	95
Impairment loss	(12,915)	-
Gains (Losses) on financial assets at fair value through profit or loss	39,608	(5,388)
Foreign exchange (losses) gains	(168)	333
Others	(455)	(205)
	$ 58,092	**(22,730)**

(v) Financial instruments

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises from the Group's accounts receivable and investments.

1) Accounts receivable and other receivables

As the weaving ,dyeing and finishing business, the Group has adopted a policy that only trading with the parties with good credit standing and the Group shall secure a collateral to lighten the risk of financial loss arising from arrears when it is necessary. The major customers are rated by the Group, using public financial information and their transaction histories. The Group keeps monitoring the credit exposure and the customers' creditworthiness, and then distributes total transaction amounts into the qualified customers. The credit limit of the customers is reviewed and approved annually to control the credit exposure.

As the real estate development business, most of the land premiums for sales are accounts received in advance, and most of them can be financed by bank housing loans, so there is no significant credit risk in the accounts receivable of the Group.

The Group did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investment

The credit risk exposure of bank deposits, fixed-income investment, and other financial instruments is measured and monitored by the Group's finance department. As the Group deals with banks and other external parties with good credit standing and with financial institutions which are graded above investment level, the management believes that the Group does not have any compliance issues, and therefore, there is no significant credit risk.

3) Exposure to credit risk

As of December 31, 2023 and 2022, the carrying amount of financial assets, which represents the maximum exposure to credit risk, amounting to $1,131,850 thousand and $1,188,093 thousand, respectively.

4) Concentration of credit risk The Group's credit risk is mainly affected by the credit characteristics of each creditor. This is also an impact on credit risk from the business of the customer. As of December 31, 2023 and 2022, 70% and 69%, respectively, of the ending balance of accounts receivable arose from sales to individual customers constituting the top five customers (excluding real estate development business). The real estate development business has a large customer base and does not significantly trade with a single customer, and the credit risk of accounts receivable is not significantly concentrated.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the impact of estimated interest payments.

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2 ~ 5 years
December 31, 2023					
Notes and accounts payable	$ 56,773	56,773	56,773	-	-
Lease liabilities	4,532	4,699	1,639	1,596	1,464
Other financial liabilities	61,465	61,465	61,465	-	-
Deposit guarantee received	11,595	11,595	-	-	11,595
	$ 134,365	**134,532**	**119,877**	**1,596**	**13,059**
December 31, 2022					
Notes and accounts payable	$ 56,214	56,214	56,214	-	-
Lease liabilities	459	461	420	41	-
Other financial liabilities	52,642	52,642	52,642	-	-
Long-term borrowing	2,000	2,016	-	2,016	-
Deposit guarantee received	10,845	10,845	-	-	10,845
	$ 122,160	**122,178**	**109,276**	**2,057**	**10,845**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group’s significant exposure to foreign currency risk were as follows:

		December 31, 2023			December 31, 2022		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets							
USD	$	51	30.71	1,555	120	30.71	3,695

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable (including relatied parties) and other receivables that are denominated in foreign currency.A strengthening (weakening) of 1% of the NTD against the above mentioned foreign currency would have increased (decreased) the net profit after tax by $16 thousand and $37 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2022 (prior year).

The amount of exchange gains and losses (including realized and unrealized) of the Group’s monetary items converted into the functional currency, and the exchange rate information that has been converted to the functional currency of the parent company, NTD (that is, the currency expressed by the Group) are as follows:

	2023		2022	
	Foreign exchange gain (loss)	Exchange rate	Foreign exchange gain (loss)	Exchange rate
NTD	$ (168)	-	333	1

2) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Fixed-rate instruments:		
Financial assets	$ 18,588	-
Variable-rate instruments:		
Financial assets	$ 327,477	388,370
Financial liabilities	-	(2,000)
	$ 327,477	386,370

(Continued)

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. If the interest rate had increased / decreased by 1 basis points, the Group's profit before income taxe would have increased / decreased by $819 thousand and $966 thousand for the year 2023 and 2022, with all other variable factors remaining constant. This is mainly due to the Group's savings at variable rates. In addition, the Group's fixed-rate financial assets are measured at cost after amortization, and changes in market interest rates on the reporting date have no impact on profit or loss, so the sensitivity analysis of changes in fair value is not intended to be disclosed.

3) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2023		2022	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Profit before income tax**	**Other comprehensive income before tax**	**Profit before income tax**
Increasing 10%	$ 50	50,973	44	52,035
Decreasing 10%	(50)	(50,973)	(44)	(52,035)

(iv) Fair value of financial instruments

1) Fair value value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

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	December 31, 2023				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Open-end funds and stocks in listed companies	$ 501,091	501,091	-	-	501,091
Public company	8,634	-	8,634	-	8,634
	$ 509,725	**501,091**	**8,634**	**-**	**509,725**
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	$ 496	496	-	-	496
Stocks in unlisted companies	161,582	-	-	161,582	161,582
	$ 162,078	**496**	**-**	**161,582**	**162,078**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 223,705				
Notes and accounts receivable, net (including related parties)	62,444				
Other current financial assets	133,490				
Refundable deposit	40,408				
	$ 460,047				
Financial liabilities measured at amortized cost:					
Notes and accounts payable	$ 56,773				
Lease liabilities	4,532				
Other financial liabilities	61,465				
Deposit guarantee received	11,595				
	$ 134,365				

(Continued)

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	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Open-end funds and stocks in listed companies	$ 512,795	512,795	-	-	512,795
Emerging stock	7,557	-	7,557	-	7,557
	$ 520,352	**512,795**	**7,557**	**-**	**520,352**
Financial assets at fair value through other comprehensive income:					
Stocks in listed companies	$ 437	437	-	-	437
Stocks in unlisted companies	141,240	-	-	141,240	141,240
	$ 141,677	**437**	**-**	**141,240**	**141,677**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 253,973				
Notes and accounts receivable, net (including related parties)	84,600				
Other current financial assets	147,163				
Refundable deposit	40,328				
	$ 526,064				
Financial liabilities measured at amortized cost:					
Notes and accounts payables	$ 56,214				
Lease liabilities	459				
Other financial liabilities	52,642				
Long-term borrowing	2,000				
Deposit guarantee received	10,845				
	$ 122,160				

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

(Continued)

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

The financial instruments held by the Group were classified as follows:

· Financial intruments with active markets: including listed stock. The market price is established as the fair value.

· Financial intruments without active markets: Measurements of fair value are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

3) The Group has no transfer of the fair value hierarchy in year 2023 and 2022.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Non quoted equity instrument
Opening balance, January 1, 2023	$ 141,240
Total gains and losses recognized in other comprehensive income	20,342
Ending Balance, December 31, 2023	**$ 161,582**
Opening balance, January 1, 2022	$ 141,585
Total gains and losses recognized in other comprehensive income	(345)
Ending Balance, December 31, 2022	**$ 141,240**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “fair value through other comprehensive income – equity investments”.

There are multiple significant unobservable inputs for the equity instrument investment of the Group without active market. Significant unobservable inputs for the equity instrument investment without active market are independent of each other, so there is no mutual correlation.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income	Market approach	·Lack-of-marketability Discount (20%~35% and 20%~30% at December 31, 2023 and 2022, respectively)	·The higher the Lack-of-marketability discount is, the lower the fair value
		·P/B ratio multiplier (0.97~3.31 and 1.26~3.43 at December 31, 2023 and 2022, respectively)	·The higher the ratio, the higher the fair value
		·C.E.R. ratio multiplier (10.62~24.12 and 7.56~21.37 at December 31, 2023 and 2022, respectively)	·The higher the ratio, the higher the fair value

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement of the fair value of financial instruments is reasonable, but if different evaluation models or evaluation parameters are used, the evaluation results may be different. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

			Other comprehensive income	
	Inputs	**Variation**	**Favour-able**	**Unfavour-able**
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/B and EV ratio	5%	8,191	(8,191)
	Lack of marketability discount	5%	10,955	(10,955)
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/B and EV ratio	5%	7,286	(7,286)
	Lack of marketability discount	5%	9,747	(9,747)

(w) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The objectives, policies and processes for measuring, managing the above mentioned risks and more disclosures about the quantitative effects of these risks exposures, please refer to Note 6(v).

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect any changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(Continued)

(x) Capital management

The Group's objectives for managing capital to safeguard the necessary financial resources to meet the needs of working capital, capital expenditure and debt repayment in the next twelve months. And considering the particularity of the real estate development business which the source of funds for real estate development can be obtained through pre-sale method. The management uses the debt ratio excluding advance payment for real estate to manage capital. As of December 31, 2023 and 2022, the Group's debt ratio were 19% and 18%, respectively. As of December 31, 2023, the Group's capital management strategy is consistent with the prior year.

(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) For right-of-use assets under leases, please refer to note 6(i).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Others	December 31, 2023
Long-term borrowings	$ 2,000	(2,000)	-	-
Lease liabilities	459	(541)	4,614	4,532
Total liabilities from financing activities	**$ 2,459**	**(2,541)**	**4,614**	**4,532**

	January 1, 2022	Cash flows	Others	December 31, 2022
Long-term borrowings	$ -	2,000	-	2,000
Lease liabilities	1,217	(758)	-	459
Total liabilities from financing activities	**$ 1,217**	**1,242**	**-**	**2,459**

(7) Related-party transactions:

(a) Names and relationship with the Company

Name of related party	Relationship with the Group
Chyang Sheng Vietnam Co., Ltd (Chyang Sheng Vietnam)	Associate
Shinkong Textile Co., Ltd.(Shinkong Textile)	Substantial related person

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(b) Significant transactions with related parties

(i) Sales

The amounts of sales and accounts receivable by the Group to related parties were as follows:

	Sales		Accounts receivable	
	2023	2022	December 31, 2023	December 31, 2022
Associate	$ 3,990	8,299	1,112	3,405
Shinkong Textile	99,714	169,200	27,946	38,753
Total	**$ 103,704**	**177,499**	**29,058**	**42,158**

The selling price and payment terms for related parties approximated general customers.

(ii) Lease

The Group rented plant to other related parties and recognized the amount of rental revenue were as follows:

	Amount		Other receivables	
	2023	2022	December 31, 2023	December 31, 2022
Shinkong Textile	**$ 16,117**	**13,438**	**7,961**	**9,035**

The other receivables include rent receivables and collections and payments at the end of the period, and the rental income is calculated using the number of pings with reference to market conditions and collected on a monthly basis.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	**$ 13,708**	**11,985**

(8) Pledged assets:

The carrying values of assets pledged as security were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Land(Notes)	Short-term and long-term borrowings	$ 417,480	417,480
Buildings(Notes)	"	28,332	36,503
Other financial assets -current	The pre-collected for the Zhongshan urban renewal project is dedicated to the construction funds of this case	122,692	134,487
		$ 568,504	**588,470**

(Notes) Property, plant and equipment, and investment property are separately accounted for.

(Continued)

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(9) Significant contingent liabilities and unrecognized commitments:

(a) The Group signed a long-term steam supply contract with the supplier. Under the premise of stable and sufficient supply, the Group committed the price agreed in the contract, the agreed period and the minimum usage estimate to the supplier. The minimum payable amount by the Group in the future is as follows:

	December 31, 2023	December 31, 2022
Contract commitment	$ 57,324	41,940

(b) The details of the joint investment and construction contract signed by the Group are as follows:

Project name	Landlord or Co-Investor Builder	Land number	Joint construction	Completed/Estimated Completion Year
Zhongshan urban renewal project	Taipei City Government	Section 4 of Zhongshan Section, Zhongshan District	urban renewal	2023

The Refundable deposit paid by the Group for the real estate development business are as follows:

	December 31, 2023	December 31, 2022
Refundable deposit	$ 31,660	31,030

As of December 31, 2023, the total contract price signed with the contractor is $356,200 thousand, and $301,009 thousand has been paid in accordance with the contract.

(c) The price of pre-sale house sales contract signed by the Group and the customerprice of pre-sale contracts between the Group and its customers is as follows:

	December 31, 2023	December 31, 2022
The price of the signed sales contract	$ 952,730	952,730
Amount collected as agreed	$ 290,620	246,540

(d) Due to operating and financing needs of the Group, the amount of endorsement guarantee provided by the financial institution at December 31, 2023 and 2022 are $755,048 thousand and $350,000 dollar, respectively, and the actual amount of expenditure are both $0 thousand dollar.

(e) As of December 31, 2023 ans 2022, the unrecognized contractual commitment amount of property, plant and equipment acquired by the Group is $5,423 and $,1722 thousand dollar.

(Continued)

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(f) .As the waste disposal contractor was not able to perform its duties, the Chiayi Environmental Protection Bureau originally requested the Group to pay a fee of $869 thousand in accordance with the provisions of the Administrative Execution act. Howerver, after both parties reached a settlement, the Group only had to pay the amount of $82 thousand to the Chiayi Environmental Protection Bureau. The case was deemed closed in October 2023.

(g) Due to the Zhongshan urban renewal project, the Group provided the Taipei City Government performance guarantee notes issued by a financial institution, at the total of $55,048 thousand as of December 31, 2023.

(h) The Group's outstanding standby letter of credit for acquiring equipment are as follows:

	December 31, 2023	December 31, 2022
Outstanding standby letter of credit	$ 1,612	-

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	71,031	29,602	100,633	82,439	30,259	112,698
Labor and health insurance	7,109	2,944	10,053	7,511	2,905	10,416
Pension	2,223	1,301	3,524	2,503	1,353	3,856
Others	1,780	7,187	8,967	2,300	6,373	8,673
Depreciation (Note)	42,436	541	42,977	40,591	755	41,346
Amortization	-	-	-	-	-	-

(Note)Excluding the depreciation of investment property in 2023 and 2022, which were $1,156 thousand dollar and $1,194 thousand dollar, respectively.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balanceof financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
0	The Company	Progiant Construction	Other receivables-related parties	Yes	200,000	200,000	-	2%	2	-	Working Capital	-	-	-	227,327	454,653

Note 1: The financing company's total financing amount should not exceed 20% of its net asset value and the financing for a counterparty should not exceed 10% of its net asset value. However, for a counterparty that directly or indirectly holds more than 50% of the voting rights of the reinvestment and the parent company of the reinvestment company (that is, the Group), it is still limited to 10% of the net value of the latest financial statement.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 3: The nature of financing purposes:
1) Represents entities with business transaction with the Group;
2) Represents where an inter-company or inter-firm short-term financing facility is necessary.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Progiant Construction	Note2	1,136,633	755,048	755,048	-	-	33.21 %	1,136,633	Y	N	N

Note 1: The ceiling for the total guaranteed amount was 50% of the Company's net assel value, and the limit on the guaranted amount for a single party was 20% of the Company's net asset value. But for an entity that holds more than 75% shares by the Company, the limit of the guaranteed amount was 50% of the Company's net value of the latest financial statement.

Note 2: Subsidary which owned more than 50 percent by the guarantor.

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(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Highest Percentage of ownership (%)	Note
The Company	TA-YUAN COGENERATION COMPANY LTD.	None	Financial assets at fair value through other comprehensive income-non-current	11	$ 496	0.01	496	0.01	
〃	Yong Cheng Environmental Tech. Co.,Ltd	〃	〃	400	1,260	0.35	1,260	0.35	
	Linden Technologies Inc.			36	-	1.15	-	1.15	
〃	Capital Money Market Fund	〃	Financial assets at fair value through profit or loss-current	1,529	25,335	-	25,335	-	
〃	Fund-YUANTA US TREASURY 20+ YEAR BOND ETF	〃	〃	300	9,255	-	9,255	-	
〃	Fund-YUANTA US 20+ YEAR BBB CORPORATE BOND ETF	〃	〃	300	10,800	-	10,800	-	
〃	Fund-CAPITAL TIP CUSTOMIZED TAIWAN ESG LOW CARBON 50 ETF	〃	〃	200	3,470	-	3,470	-	
〃	Stock-AUO Corporation	〃	〃	900	16,335	0.01	16,335	0.01	
〃	Stock-TSRC CORPORATION	〃	〃	200	4,820	0.02	4,820	0.02	
〃	Stock-Good Way	〃	〃	155	5,240	0.25	5,240	0.25	
〃	Stock-AVALUE TECHNOLOGY INC	〃	〃	180	21,510	0.25	21,510	0.25	
〃	Stock-MATERIALS ANALYSIS TECHNOLOGY INC	〃	〃	216	50,126	0.33	50,126	0.33	
〃	Stock-CUB ELECPARTS INC	〃	〃	42	5,649	0.03	5,649	0.03	
〃	Stock-Etron Technology	〃	〃	-	15	-	15	-	
〃	Stock-China Airlines	〃	〃	120	2,598	-	2,598	-	
〃	Stock-ZERO ONE TECHNOLOGY CO LTD	〃	〃	60	3,924	0.04	3,924	0.04	
〃	Stock-MOSA INDUSTRIAL CORP	〃	〃	10	238	-	238	-	
〃	Stock-GREAT WALL ENTERPRISE CO LTD	〃	〃	20	1,170	-	1,170	-	
〃	Stock-ENNOSTAR INC	〃	〃	130	6,019	0.02	6,019	0.02	
〃	Stock-EPISIL HOLDING INC	〃	〃	50	3,605	0.02	3,605	0.02	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Highest Percentage of ownership (%)	Note
〃	Stock-EPISIL-PRECISION INC	〃	〃	20	1,236	0.01	1,236	0.01	
〃	Stock-China Steel	〃	〃	20	540	-	540	-	
〃	Stock-Taiwan-Asia	〃	〃	20	942	-	942	-	
〃	Stock-QISDA CORPORATION	〃	〃	60	2,880	-	2,880	-	
〃	Stock-Center Lab	〃	〃	38	1,704	0.01	1,704	0.01	
〃	Stock-CO-TECH DEVELOPMENT CORP	〃	〃	30	1,818	0.01	1,818	0.01	
〃	Stock-PARPRO CORPORATION	〃	〃	30	1,063	0.03	1,063	0.03	
〃	Stock-Chinatrust Commercial	〃	〃	20	567	-	567	-	
〃	Stock-CHANNEL WELL TECHNOLOGY CO LTD	〃	〃	10	842	-	842	-	
Worthy Textile	LE YOUNG CONSTRUCTION CO., LTD.	None	Financial assets at fair value through profit or loss- non-current	506	8,634	0.51	8,634	0.51	
〃	HOPE VISION CO., LTD.	〃	Financial assets at fair value through other comprehensive income-non-current	1,000	4,500	1.15	4,500	1.15	
〃	The Compeny	〃	〃	8,875	159,746	5.12	159,746	5.12	
〃	Asia Pacific Federation of Industry and Commerce	None	Financial assets at fair value through profit or loss- non-current	22	-	0.03	-	0.03	
〃	Fund-ICE FactSet Battery and Energy Storage Technology	〃	〃	50	498	-	498	-	
〃	Stock-Shinkong Synthetic Fibers	〃	〃	200	3,110	0.01	3,110	0.01	
〃	Stock-SOFTSTAR ENTERTAINMENT	〃	〃	3,500	71,750	2.68	71,750	2.68	
〃	Stock-DE LICACY	〃	〃	483	6,440	0.12	6,440	0.12	
〃	Stock-Dyaco	〃	〃	28	991	0.02	991	0.02	
〃	Stock-China Steel	〃	〃	30	810	-	810	-	
〃	Stock-TA CHEN STAINLESS PIPE	〃	〃	122	4,831	0.01	4,831	0.01	
〃	Stock-TSRC CORPORATION	〃	〃	300	7,230	0.04	7,230	0.04	
〃	Stock-CUB ELECPARTS INC	〃	〃	41	5,494	0.03	5,494	0.03	
〃	Stock-EVERLIGHT ELECTRONICS CO LTD	〃	〃	40	2,000	-	2,000	-	
〃	Stock-AUO Corporation	〃	〃	600	10,890	0.01	10,890	0.01	
〃	Stock-China Airlines	〃	〃	120	2,598	-	2,598	-	
〃	Stock-AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION	〃	〃	10	536	-	536	-	
〃	Stock-Cathay Financial	〃	〃	1	24	-	24	-	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Highest Percentage of ownership (%)	Note
〃	Stock-Chinatrust Commercial	〃	〃	40	1,134	-	1,134	-	
〃	Stock-EPISIL-PRECISION INC	〃	〃	30	1,854	0.01	1,854	0.01	
〃	Stock-ASIA OPTICAL	〃	〃	10	702	-	702	-	
〃	Stock-ZERO ONE TECHNOLOGY CO LTD	〃	〃	20	1,308	0.01	1,308	0.01	Note
〃	Stock-Good Way	〃	〃	2,759	93,515	4.51	93,515	4.51	
〃	Stock-AVALUE TECHNOLOGY INC	〃	〃	210	25,095	0.29	25,095	0.29	
〃	Stock-Innolux	〃	〃	579	8,282	0.01	8,282	0.01	
〃	Stock-MATERIALS ANALYSIS TECHNOLOGY INC	〃	〃	10	2,333	0.02	2,333	0.02	
〃	Stock-AVer Information	〃	〃	40	1,908	0.04	1,908	0.04	
〃	Stock-EPISIL HOLDING INC	〃	〃	20	1,442	0.01	1,442	0.01	
〃	Stock-ENNOSTAR INC	〃	〃	50	2,315	0.01	2,315	0.01	
〃	Stock-Center Lab	〃	〃	34	1,495	-	1,495	-	
〃	Stock-MOSA INDUSTRIAL CORP	〃	〃	10	238	-	238	-	
〃	Stock-NEW ERA ELECTRONICS CO LTD	〃	〃	361	11,498	0.39	11,498	0.39	
〃	Stock-Etron Technology	〃	〃	86	4,652	0.03	4,652	0.03	
〃	Stock-SYMTEK AUTOMATION ASIA CO LTD	〃	〃	20	2,090	0.03	2,090	0.03	
〃	Stock-EVEREST TEXTILE	〃	〃	2,000	14,880	0.29	14,880	0.29	
Progiant Construction	LI JIN ENGINEERING CO., LTD.	None	Financial assets at fair value through other comprehensive income-non-current	7,687	132,302	5.13	132,302	5.13	
〃	HONG XIN CONSTRUTION CO., LTD.	〃	〃	2,000	23,520	3.33	23,520	3.33	
〃	Capital Money Market Fund	〃	Financial assets at fair value through profit or loss-current	1,586	26,305	-	26,305	-	
〃	Stock-Chinatrust Commercial	〃	〃	25	709	-	709	-	
〃	Stock-China Airlines	〃	〃	20	433	-	433	-	

Note: The Company's shares held by subsidiaries are treated as treasury stocks and have been eliminated in the consolidated financial report.

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Price	Cost	Gain (loss) on disposal	Shares (thousands)	Amount
The Company	Capital Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	4,919	80,504	26,892	443,000	30,282	499,106	498,169	937	1,529	25,335

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions: None

(b) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of wnership	Carrying value				
The Company	Worthy Textile	Taiwan	Investment company	778,461	638,461	77,800	100.00 %	788,904	100.00 %	90,221	90,221	Note 1
〃	Progiant Construction	Taiwan	Entrust construction companies to build national housing, namely commercial buildings, leasing and selling business	167,200	167,200	26,235	83.68 %	538,253	83.68 %	138	115	〃
〃	Chyang Sheng Vietnam	Vietnam	Printing and Dyeing and Finishing	223,523 (USD6,931 thousand dollar)	223,523 (USD6,931 thousand dollar)	-	18.69 %	101,267	18.69 %	(9,281)	(1,735)	
〃	Hong Sheng investment	Taiwan	Investment company	-	140,000	-	- %	-	100.00 %	7,144	7,144	Note 1 and 3
〃	NICSing Tex	Taiwan	Printing and Dyeing and Finishing	4,800	-	480	48.00 %	4,292	48.00 %	(1,059)	(508)	

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of wnership	Carrying value				
Worthy Textile	Chyang Sheng Vietnam	Vietnam	Printing and Dyeing and Finishing	167,362 (USD5,776 thousand dollar)	167,362 (USD5,776 thousand dollar)	-	14.92 %	93,041	14.92 %	(9,281)	(1,384)	
〃	Treasure Star	Samoa	International trading business	29,795	29,795	-	33.61 %	257,582	33.61 %	129,301	43,458	
〃	Sea Some International	Taiwan	International trading business	3,000	3,000	300	100.00 %	4,206	100.00 %	(274)	(274)	Note 2

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.
Note 2: Was held by Hong Sheng Investment. Hong Sheng Investment merged with Worthy Textile on December 1, 2023, with Worthy Textile being the sole existing company, acquiring the relevant investees of Hong Sheng Investment,
Note 3: Including cash dividends of $ 3,550 thousand paid by the parent company Chyang Sheng.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name / Shareholding	Shares	Percentage
Shinkong Textile Co., Ltd.	35,170,576	20.29 %
Lin Jun Yao	11,400,000	6.57 %
Hong Sheng investment Co., Ltd.	8,874,795	5.12 %

(14) Segment information:

(a) General information

The reportable segments are the Group' s strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies.

The profit and loss of each operating department of the Group is measured based on gross profit and used as an evaluation of performance: the accounting policies used are the same as the summary of important accounting policies described in Note 4.

The 2023 and 2022 operating segment information of the Group are as follows:

	2023			
	Weaving and dyeing and finishing business	**Construction business**	**Reconciliation and elimination**	**Total**
Revenue from external customers	$ 347,508	-	-	347,508
Intersegment revenue	-	-	-	-
Total Revenue	**$ 347,508**	**-**	**-**	**347,508**
Reportable segment profit or loss	**$ 15,758**	**-**	**-**	**15,758**

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	2022			
	Weaving and dyeing and finishing business	**Construction business**	**Reconciliation and elimination**	**Total**
Revenue from external customers	$ 494,462	1,470	-	495,932
Intersegment revenue	-	-	-	-
Total Revenue	**$ 494,462**	**1,470**	**-**	**495,932**
Reportable segment profit or loss	**$ 75,083**	**1,470**	**-**	**76,553**

(b) Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are all located in Asia.

Geographic area	**2023**	**2022**
Asia	**$ 347,508**	**495,932**

(c) Major customers

The details of the Group's customers whose individual sales income accounted for more than 10% of the net operating revenues on the consolidated income statement for the years, 2023 and 2022 are as follow:

	2023		**2022**	
Customer Number	**Amount**	**Perecentage**	**Amount**	**Perecentage**
Customer A	$ 67,647	19	109,181	22
Customer B	99,714	28	169,200	34
	$ 167,361	**47**	**278,381**	**56**