Stock code: 1468

Chang-ho Fibre Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors of Chang-ho Fibre Corporation:

Opinions

We have audited the accompanying balance sheets of Chang-ho Fibre Corporation., Ltd. as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2022 and 2021, and the related notes to the the Parent Company Only Financial Statements, which include a summary of significant accounting policies.

Based on our audits and the reports of the other auditors (see Other Matters), the financial statements referred to above present fairly, in all material respects, the financial position of Chang-ho Fibre Corporation. The accompanying financial statements are intended only to present fairly, in all material respects, the financial position of Chang-ho Fibre Corporation Co.

Basis for Opinions

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further described in the section of our responsibility for auditing the Parent Company Only Financial Statements. We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards accepted in the Republic of China. Based on our audits and the auditors' reports of other auditors, we believe that we have obtained sufficient and appropriate evidence to form the basis of our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Chang-ho Fibre Corporation for the year 2022. These matters were addressed in the context of our audit of the 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 following matters to be the key audit matters to be communicated in our audit report:

I. Revenue Recognition

Please refer to Note (IV)(15) to the financial statements for the accounting policy on revenue recognition; please refer to Notes VI (19) for the description of revenue.

Description of critical checks:

The primary source of revenue for Chang-ho Fibre Corporation is the manufacturing and sale of various fibres, ultra-fine and super-fine fibre silk, and dyed and finished fabric. Due to varying transaction conditions, there is a significant risk associated with the timing of revenue recognition. Therefore, revenue recognition is an important matter for our assessment during the audit of the financial statements.

Corresponding audit procedures:

The main audit procedures for the key audit matter described above include testing the relevant controls of the sales and receivables cycle, reconciling sales system data with the general ledger, and conducting detailed tests on a sample of relevant vouchers. We also assessed whether the timing and amount of revenue recognition by Chang-ho Fibre Corporation complied with the relevant regulations.

Other Matters

In the investments accounted for using the equity method in Chang-ho Fibre Corporation, the financial reports of some of the investee companies accounted for using the equity method were not audited by us, but by other auditors. Therefore, the amounts related to the financial reports of these investee companies expressed in the individual financial report are based on the audit reports of other auditors. As of December 31, 2021, the investment amount in these companies accounted for using the equity method accounted for 3.04% of the total assets. The share of profit or loss from subsidiaries, associates, and joint ventures recognized using the equity method from January 1 to December 31, 2021 accounted for 37.13% of the profit before tax.

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

The responsibility of management is to prepare the Parent Company Only Financial Statements that fairly represent the financial condition in accordance with the financial reporting standards for securities issuers and maintain necessary internal controls related to the preparation of the Parent Company Only Financial Statements to ensure that the the Parent Company Only Financial Statements do not contain material misstatements due to fraud or error.

In preparing the the Parent Company Only Financial Statements, management is also responsible for assessing the ability of Chang-ho Fibre Corporation to continue as a going concern, disclosing related matters, and using the going concern basis of accounting, unless management intends to liquidate Chang-ho Fibre Corporation or to cease operations, or has no realistic alternative but to do so.

The governance unit of Chang-ho Fibre Corporation (including the Audit Committee) has the responsibility to oversee the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

In conducting an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We are also:

1. Identify and assess the risks of material misstatement of the the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chang-ho Fibre Corporation'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 Chang-ho Fibre Corporation'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 the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Chang-ho Fibre Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the the Parent Company Only Financial Statements, including the disclosures, and whether the the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Chang-ho Fibre Corporation to express an opinion on the the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the 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 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 the Parent Company Only 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.

KPMG (Taipei, Taiwan, Republic of China)

2023/03/23

Chang-ho Fibre Corporation

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2022 and 2021

Unit: NT$1,000

Code	Assets	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Assets:				
1100	Cash and cash equivalents (Notes VI (1))	$102,847	7	287,935	12
1110	Current financial assets at fair value through profit or loss (Notes VI (2))	614	-	-	-
1170	Net notes and accounts receivable (Notes VI (4) and (VI)(19))	31,808	2	46,370	2
1180	Accounts receivable - related parties, net (Notes VI (4), VI (19) and VII)	36,686	2	16,650	1
1200	Other receivables (Notes VI (5) and (VI)(15))	16,230	1	18,188	1
1210	Other receivables - related parties (Note VII)	32,164	2	334,212	13
1310	Inventory (Notes VI (vi))	360,217	23	438,755	17
1470	Prepayments and other current assets	2,970	-	3,543	-
1476	Other financial assets - current (Note VIII)	21,316	2	361,185	14
		604,852	39	1,506,838	60
	Non-current assets:				
1517	Measured at fair value through other comprehensive income – non-current - non-current (Notes VI (3))	40,523	3	60,913	3
1550	Investments using equity method (Notes VI (7))	158,244	10	222,256	9
1600	Property, plant and equipment (Notes VI (8) and 8)	362,224	23	374,619	15
1755	Right-to-use assets (Notes VI (9))	3,035	-	10,464	-
1760	Net investment property (Notes VI (10) and 8)	257,652	16	248,163	10
1840	Deferred income tax assets (Notes VI (16))	83,333	5	83,333	3
1990	Other non-current assets (Notes VI (11) and 9)	56,343	4	11,851	-
		961,354	61	1,011,599	40
	Total Assets	**$1,566,206**	**100**	**2,518,437**	**100**

Code	Liabilities and Equity	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current Liabilities:				
2100	Short-term borrowings (Notes VI (12))	$100,000	7	789,000	32
2130	Contract liabilities - current (Notes VI (19))	53	-	520	-
2170	Notes and accounts payable	29,119	2	52,621	2
2180	Notes and accounts payable - related parties (Note VII)	43,449	3	29,200	1
2200	Other payables	16,613	1	13,790	1
2220	Other payables - related parties (Note VII)	5,812	-	6,082	-
2280	Lease liabilities - current (Notes VI (14))	3,090	-	7,746	-
2322	Long-term loans, current portion (Notes VI (13))	15,600	1	15,600	1
2399	Other current liabilities	7,220	-	7,363	-
		220,956	14	921,922	37
	Non-current liabilities:				
2540	Long-term loans (Notes VI (13))	64,800	5	330,400	13
2570	Deferred income tax liabilities (Notes VI (16))	82,360	5	81,963	3
2580	Lease liabilities - non-current (Notes VI (14))	47	-	2,988	-
2645	Guarantee deposits received	4,577	-	5,146	-
		151,784	10	420,497	16
	Total liabilities	372,740	24	1,342,419	53
	Equity (Notes VI (17)):				
3110	Capital stock	1,604,053	102	1,604,053	64
3200	Capital surplus	26,753	2	26,753	1
	Retained earnings:				
3310	Appropriated as legal capital reserve	137,037	9	137,037	6
3350	Accumulated losses	(666,381)	(43)	(702,629)	(28)
		(529,344)	(34)	(565,592)	(22)
3400	Others	92,004	6	110,804	4
	Total equity	1,193,466	76	1,176,018	47
	Total liabilities and equity	**$1,566,206**	**100**	**2,518,437**	**100**

Chang-ho Fibre Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME STATEMENT

From January 1 to December 31, 2022 and 2021

Unit: NT$1,000

		Year 2022		Year 2021	
		Amount	%	Amount	%
4100	**Operating revenue** (Notes VI (19) and 7)	$686,322	100	620,263	100
5110	**Cost of revenue** (Notes VI (6), 6(15), 7 and 12)	665,681	97	549,103	89
	Gross Profit	20,641	3	71,160	11
5910	Unrealized gain (loss) on sales	657	-	38	-
5900	**Realized operating margin**	19,984	3	71,122	11
	Operating expenses (Notes VI (15) and 12)**:**				
6100	Selling expenses	25,636	4	21,365	3
6200	Administrative expenses	39,346	6	62,338	10
6300	Research and development expenses	981	-	2,567	-
6450	Expected credit loss (gain) (Notes VI(d))	14	-	(139)	-
		65,977	10	86,131	13
6900	**Net operating loss**	(45,993)	(7)	(15,009)	(2)
	Non-operating income and expenses:				
7100	Interest income (Note VII)	6,249	1	3,675	1
7110	Rental income (Notes VI (10) and VII)	24,329	4	15,492	2
7020	Other gains and losses	5,294	1	3,818	1
7235	Net gain (loss) on financial assets (liabilities) at fair value through profit or loss (Notes VI (2))	64,562	8	-	-
7050	Finance costs (Notes VI (14))	(10,119)	(1)	(11,135)	(2)
7210	Net gain on disposed of property, plant and equipment	227	-	4,324	1
7630	Net foreign exchange gain (loss) (Notes VI (21))	14,208	2	(13,205)	(2)
7070	Share of profits (losses) of subsidiaries, affiliated enterprises and joint ventures recognized under the equity method (Notes VI (7))	(21,727)	(3)	21,687	3
		83,023	12	24,656	4
7900	**Net income before tax**	37,030	5	9,647	2
7950	**Less: Income tax expense** (Notes VI (16))	-	-	-	-
8200	**Net income for the period**	37,030	5	9,647	2
8300	**Other comprehensive profit and loss:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Notes VI (3))	(20,390)	(3)	(61,411)	(10)
8349	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes VI (16))	-	-	-	-
		(20,390)	(3)	(61,411)	(10)
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	1,987	-	(784)	-
8399	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes VI (16))	397	-	(157)	-
		1,590	-	(627)	-
8300	**Other comprehensive income or loss for the period**	(18,800)	(3)	(62,038)	(10)
8500	**Total comprehensive income or loss for the period**	**$18,230**	**2**	**(52,391)**	**(8)**
	Basic earnings per share (Unit: NT$) (Notes VI (18))				
9750	**Basic earnings per share (Unit: NT$)**		**$0.23**		**0.06**
9850	**Diluted earnings per share (Unit: NT$)**		**$0.23**		**0.06**

Chang - Ho Fibre Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other equity items			
	Capital Stock - Common Stock	Capital Surplus	Legal capital reserve	Accumulated losses	Total	Foreign currency Translated Reserve	Unrealized Gain (Loss) Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total equity
Balance, January 1, 2021	$1,604,053	26,753	137,037	(711,566)	(574,529)	56,318	116,524	172,842	1,229,119
Net Income	-	-	-	9,647	9,647	-	-	-	9,647
Other comprehensive income (Loss)	-	-	-	-	-	(627)	(61,411)	(62,038)	(62,038)
Total comprehensive income (Loss)	-	-	-	9,647	9,647	(627)	(61,411)	(62,038)	(52,391)
From share of changes in equities of subsidiaries	-	-	-	(710)	(710)	-	-	-	(710)
Balance, December 31, 2021	1,604,053	26,753	137,037	(702,629)	(565,592)	55,691	55,113	110,804	1,176,018
Net Income	-	-	-	37,030	37,030	-	-	-	37,030
Other comprehensive income (Loss)	-	-	-	-	-	1,590	(20,390)	(18,800)	(18,800)
Total comprehensive income (Loss)	-	-	-	37,030	37,030	1,590	(20,390)	(18,800)	18,230
From share of changes in equities of subsidiaries	-	-	-	(782)	(782)	-	-	-	(782)
Balance, December 31, 2022	**$1,604,053**	**26,753**	**137,037**	**(666,381)**	**(529,344)**	**57,281**	**34,723**	**92,004**	**1,193,466**

Chang-ho Fibre Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2022 and 2021

Unit: NT$1,000

	Year 2022	Year 2021
Cash flows from operating activities:		
Income before income tax	$37,030	9,647
Adjustment items:		
Profit and loss items		
Depreciation expense	13,208	13,255
Amortization expense	-	71
Expected credit impairment loss (reversal of benefit)	14	(139)
Finance costs	10,119	11,135
Interest income	(6,249)	(3,675)
Share of losses (Profits)of subsidiaries, affiliates and joint ventures recognized under the equity method	21,727	(21,687)
Loss (gain) on disposal or retirement of property, plant and equipment, net	-	(4,324)
Net gain on financial assets (liabilities) at fair value through profit or loss	(64,562)	-
Other items	430	38
Total revenue and expense items	(25,313)	(5,326)
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable (including related parties)	(5,488)	(16,148)
Decrease (increase) in other receivables (including related parties)	1,442	(3,285)
Decrease (increase) in inventories	78,538	(26,900)
Decrease (increase) in prepayments and other non-current assets	606	(1,252)
Decrease (increase) in financial assets and liabilities at fair value through profit or loss	63,948	-
(Decrease) increase in contractual liabilities	(467)	(49)
(Decrease) increase in notes and accounts payable (including related parties)	(9,253)	25,876
(Decrease) increase in other payables (including related parties)	2,760	2,891
(Decrease) increase in other current liabilities	(143)	191
Total net changes in assets and liabilities related to operating activities	131,943	(18,676)
Cash (outflow) inflow from operations	143,660	(14,355)
Interest Received	6,249	3,675
Interest paid	(10,326)	(11,086)
Net cash (outflow) from operating activities	139,583	(21,766)
Cash flows from investing activities:		
Acquisition of Equity interest in subsidiary	(20,000)	(10,000)
Acquisition of property, plant and equipment	(339)	-
Disposal of property, plant and equipment	-	5,231
Capital reduction of equity-method investees	49,997	-
Decrease (increase) in other receivables- related parties	297,888	(330,000)
Decrease (increase) in other financial assets	339,869	(360,543)
Decrease (increase) in other non-current assets	(46,856)	(8,869)
Dividends received	17,739	65,997
Net cash inflow (outflow) from investing activities	638,298	(638,184)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(689,000)	754,409
Increase (decrease) in Long-term loans	-	190,000
Payment of long-term loans	(265,600)	(405,600)
Lease principal payment	(7,800)	(7,972)
(Decrease) increase in deposits as collateral	(569)	2,990
Net cash (outflow) from financing activities	(962,969)	533,827
Net decrease in cash and cash equivalents for the period	(185,088)	(126,123)
Cash and cash equivalents at beginning of period	287,935	414,058
Cash and cash equivalents at end of period	**$102,847**	**287,935**

Chang-ho Fibre Corporation
The Parent Company Only Financial Statements - Notes
For the years ended December 31, 2022 and 2021
(All amounts are in New Taiwan Dollars thousands unless otherwise stated)

I. Company History

Chang-ho Fibre Corporation (hereinafter referred to as the "Company") was established on April 10th, 1982. The Company's major business is the manufacturing and sales of several types of fibers, including fine and ultrafine fibers, as well as dyeing and finishing fabrics. The Company's stock has been listed and traded on the Taiwan Stock Exchange since January 21st, 1999.

II. Date and Process of Financial Report Approval

The financial report of this entity has been approved and released by the board of directors on March 23rd, 2023.

III. Application of Newly Issued and Revised Standards and Interpretations

1. The company has adopted the newly issued and revised standards and interpretations approved by the Financial Supervisory Commission, which came into effect on January 1, 2022. These changes have not had a significant impact on the the Parent Company Only Financial Statements of the company.
   The adopted revisions include:

- Amendment to International Accounting Standard 16: "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendment to International Accounting Standard 37: "Onerous Contracts - Costs of Fulfilling a Contract"
- Annual Improvements to International Financial Reporting Standards 2018-2020 cycle
- Amendment to International Financial Reporting Standard 3: "References to the Conceptual Framework"

2. Effect of not adopting IFRSs recognized by the FSC
   The company has assessed that the adoption of the following new amendments to international financial reporting standards, effective from January 1, 2023, will not have a significant impact on the individual financial reports:

- Amendment to International Accounting Standard IAS 1: "Disclosure of Accounting Policies"
- Amendment to IAS 8: "Definition of Accounting Estimates"
- Amendment to IAS 12: "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

3. The International Accounting Standards Board (IASB) has issued new and revised standards and interpretations that have not yet been endorsed by the Financial Supervisory Commission (FSC). The following are the standards and interpretations that may have implications for the company:

New or Revised Criteria	Major amendments	Effective date of publication by the Board of Directors
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	Current IAS 1 requires a liability to be classified as current if the enterprise does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The amendment removes the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material. The amendment clarifies how an enterprise should classify liabilities that are settled by issuing its own equity instruments (e.g., convertible bonds).	January 1, 2024

The company is currently conducting an ongoing assessment of the impact of the standards and interpretations on its financial position and operating results. The relevant impact will be disclosed once the assessment is completed.

The company expects that the following other yet-to-be-endorsed new and revised standards will not have a significant impact on the the Parent Company Only Financial Statements:

- Amendment to International Financial Reporting Standard (IFRS) 10 and International Accounting Standard (IAS) 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" and its amendments
- Amendment to International Accounting Standard (IAS) 1: "Non-current Liabilities with Maturity of the Right to Payment Deferred"
- Amendment to International Financial Reporting Standard (IFRS) 17: "Comparative Information – Initial Application of IFRS 17 and IFRS 9"
- Amendment to International Financial Reporting Standard (IFRS) 16: "Leases – Sale and Leaseback Transactions"

IV. Summary of significant accounting policies

The significant accounting policies used in these the Parent Company Only Financial

Statements are summarized below. Unless otherwise stated, the following accounting policies have been applied consistently to all periods presented in this individual financial report.

(1) Follow the statement

These the Parent Company Only Financial Statements have been prepared in accordance with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

(2) Programming Basis

1. Measurement Basis:

Except for the significant items in the balance sheet listed below, the parent company only financial statements are prepared on a historical cost basis:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income

2. Functional Currency and Presentation Currency:

The functional currency of the company is the currency of the primary economic environment in which it operates. The parent company only financial statements are presented in New Taiwan Dollars (TWD). All financial information expressed in New Taiwan Dollars is in thousands of New Taiwan Dollars.

(3) Foreign Currency:

1. Foreign Currency Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Non-monetary items in foreign currencies measured at fair value are translated into the functional currency using the exchange rates at the fair value measurement date. Non-monetary items in foreign currencies measured at historical cost are translated using the exchange rates at the transaction date. Foreign exchange differences arising from these translations are recognized in profit or loss, except for equity instruments designated as measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

2. Foreign Operations:

Assets and liabilities of foreign operations, including goodwill arising from acquisitions and fair value adjustments, are translated into New Taiwan Dollars at the exchange rates on the reporting date. Income and expenses are translated into New Taiwan Dollars at the average exchange rates for the period. Exchange differences arising from these translations are recognized in other comprehensive income.

(4) Classification of assets and liabilities into current and non-current

Assets:

Assets are classified as current assets if they meet any of the following criteria:

1. It is expected to be realized or consumed within the normal operating cycle of the business or intends to sell or use up the asset.
2. It is primarily held for trading purposes.

3. It is expected to be realized within twelve months after the reporting period.
4. It is cash or cash equivalent but is restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period, excluding cases where the exchange or settlement is restricted by other factors.

All other assets that do not meet the above criteria are classified as non-current assets.

Liabilities:

Liabilities are classified as current liabilities if they meet any of the following criteria:

1. It is expected to be settled within the normal operating cycle of the business.
2. It is primarily held for trading purposes.
3. It is expected to be settled within twelve months after the reporting period.
4. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. If the terms of the liability allow the counterparty to settle it by issuing equity instruments, it does not affect its classification.

All other liabilities that do not meet the above criteria are classified as non-current liabilities.

(5) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

(6) Financial instruments

Accounts receivable and issued debt securities are initially recognized upon their generation. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual terms of the financial instrument. Non-derivative financial assets (excluding accounts receivable with insignificant financing components) or financial liabilities that are not measured at fair value through profit or loss are initially measured at fair value plus directly attributable transaction costs incurred on acquisition or issuance. Accounts receivable with insignificant financing components are initially measured at transaction price.

1. Financial Assets

For financial assets that are purchased or sold in customary transactions, the Company applies consistent trade date accounting treatment for financial assets classified in the same manner.

Financial assets are initially classified as: financial assets measured at amortized cost, equity investments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss.

The Company only reclassifies affected financial assets from the first day of the next reporting period when there is a change in the business model for managing financial assets.

(a) Financial Assets Measured at Amortized Cost

Financial assets that meet the following criteria and are not designated at fair value through profit or loss are measured at amortized cost:

- They are held within a business model whose objective is to hold the financial assets to collect contractual cash flows.
- The cash flows of the financial assets are solely payments of principal and interest on the outstanding principal amount.

  Subsequently, these assets are measured at their original recognition amount adjusted by the cumulative amortization calculated using the effective interest method, and any impairment losses are deducted from the amortized cost. Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Gains or losses upon derecognition are also recognized in profit or loss.

(b) Financial Assets Measured at Fair Value through Other Comprehensive Income

Upon initial recognition, the Company has an irrevocable option to measure equity investments that are not held for trading at fair value through other comprehensive income. The option is made on an instrument-by-instrument basis.

Subsequently, equity investments classified as such are measured at fair value. Dividend income, unless it clearly represents a recovery of part of the investment cost, is recognized in profit or loss. Other net gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date when the Company has the right to receive the dividends (usually the ex-dividend date).

(c) Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that do not meet the criteria for measurement at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Upon initial recognition, the Company may irrevocably designate financial assets that meet the criteria for measurement at amortized cost or fair value through other comprehensive income as financial assets measured at fair value through profit or loss, to eliminate or significantly reduce accounting mismatch.

Subsequently, these assets are measured at fair value, and any net gains or losses (including any dividend and interest income) are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes an allowance for expected credit losses on financial assets measured at amortized cost, including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, deposits paid as collateral, and other financial assets.

The allowance for credit losses is measured based on expected credit losses over a twelve-month period for certain financial assets, while for the remaining financial assets, it is measured based on expected credit losses over the entire expected lifetime.

Financial instruments that have low credit risk as of the reporting date for debt securities and where there has been no significant increase in credit risk since initial recognition for other debt securities and bank deposits are measured based on the twelve-month expected credit losses.

The allowance for credit losses for accounts receivable is measured based on expected credit losses over the entire expected lifetime.

Expected credit losses over the expected lifetime refer to the credit losses expected to arise from all default events over the expected lifetime of the financial instrument.

Expected credit losses over a twelve-month period refer to the credit losses expected to arise from default events within twelve months after the reporting date (or a shorter period if the expected lifetime of the financial instrument is less than twelve months).

The maximum period for measuring expected credit losses is the longest contractual period that the Company is exposed to credit risk.

In determining whether the credit risk has significantly increased since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's historical experience, credit ratings, and forward-looking information.

If the credit risk rating of a financial instrument is equivalent to an "investment grade" as defined globally (such as BBB by Standard & Poor's, Baa3 by Moody's, or twA by Taiwan Ratings), and the counterparty and performance obligor are financial institutions with investment grade or higher ratings, the Company considers the credit risk of that debt security to be low.

If payments are past due by more than thirty days, it is assumed that the credit risk of the financial asset has significantly increased.

If payments are past due by more than ninety days or if it is unlikely that the borrower will fulfill its obligation to pay the full amount to the Company, the financial asset is in default.

Expected credit losses represent the probability-weighted estimate of credit losses over the expected lifetime of the financial instrument. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the contractual cash flows that the Company is entitled to receive and the expected cash flows that the Company expects to collect. Expected credit losses are discounted at the effective interest rate of the financial asset.

On each reporting date, the Company assesses whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income are credit impaired. A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. Observable data about these events includes:

- Significant financial difficulties of the borrower or issuer.
- Default, such as payment delinquency or default exceeding ninety days.
- Concessions granted to the borrower that would not have been considered under normal circumstances.
- The borrower is likely to file for bankruptcy or undergo other financial restructuring.
- Disappearance of an active market for the financial asset due to financial difficulties.

The allowance for credit losses for financial assets measured at amortized cost is deducted from the carrying value of the asset. The allowance for credit losses for debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income (without reducing the carrying value of the asset).

When the Company determines that it is not expected to recover the financial asset in whole or in part, it directly reduces the total carrying value of the asset. For corporate borrowers, the individual analysis is performed based on the timing and amount of the expected recoverable amount. The Company does not expect significant reversals of previously written-off amounts. However, the written-off financial assets remain subject to enforcement to comply with the Company's recovery procedures for overdue amounts.

(e) Derecognition of Financial Assets

The Company only derecognizes a financial asset when the contractual rights to receive cash flows from the asset expire, or when the asset is transferred and the Company has transferred substantially all the risks and rewards of ownership, or when the asset is neither transferred nor retained, and the Company has transferred substantially all the risks and rewards of ownership and has not retained control over the asset.

If the Company enters a transaction to transfer a financial asset and retains all the risks and rewards of ownership, the asset continues to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(a) Classification of Liabilities or Equity

The Company classifies its issued debt and equity instruments based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

(b) Equity Transactions

Equity instruments refer to any contracts that recognize the residual interest in the assets of the Company after deducting all its liabilities. The equity instruments issued by the Company are recognized at the amount received, net of directly attributable issuance costs.

(c) Financial Liabilities

Financial liabilities are classified as measured at amortized cost.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and exchange gains or losses are recognized in the income statement. Any gains or losses upon derecognition are also recognized in the income statement.

(d) Derecognition of Financial Liabilities

The Company derecognizes a financial liability when the contractual obligation is discharged, canceled, or expired. When there is a significant modification to the cash flows of a financial liability, the original financial liability is derecognized, and a new financial liability is recognized at fair value based on the modified terms.

Upon derecognition of a financial liability, the difference between it carrying value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

(e) Offset of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet when the Company has a legally enforceable right to offset and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. Derivative Financial Instruments

To mitigate foreign currency and interest rate risks, the company holds derivative financial instruments. Embedded derivative instruments are separated from the host contract when specific conditions are met and the host contract is non-financial in nature.

Derivative instruments are initially recognized at fair value and subsequently measured at fair value, with any resulting gains or losses recognized directly in the income statement.

(7) Inventory

Inventory is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average method.

(8) Investment in Associates

An associate refers to a company over which the parent company has major influence over its financial and operating policies, but it is not a controlling or jointly controlling entity.

The parent company accounts for its investment in associates using the equity method. Under the equity method, the investment is initially recognized at cost, including transaction costs. The carrying value of the investment in an associate includes any goodwill identified at the time of the initial investment, net of any accumulated impairment losses.

The parent company's individual financial statements include the recognition of its share of the associates' profit or loss and other comprehensive income from the date when major influence is obtained until the date when major influence is lost. These amounts are adjusted to ensure consistency with the parent company's accounting policies. In cases where the associate experiences non-profit or non-comprehensive income changes that do not affect the parent company's ownership percentage, the parent company recognizes the equity changes attributable to the parent company's share of the associate's equity as capital surplus based on the ownership percentage.

Unrealized gains and losses arising from transactions between the company and its associates are recognized in the company's financial statements only to the extent that they do not relate to the investor's interests in the associates. When the company's share of losses in an associate equal or exceeds its equity interest in the associate, the company ceases to recognize its share of the losses. Instead, additional losses and related liabilities are recognized only to the extent of legal or constructive obligations or payments made on behalf of the investee company.

(9) Investment in Subsidiaries

In the preparation of individual financial statements, the company uses the equity method to account for its subsidiaries over which it has control. The equity method ensures that the company's share of the subsidiaries' profit, loss, and other comprehensive income is reflected in proportion to its ownership interest. The individual financial statements reflect the same equity ownership as the consolidated financial statements.

Any changes in ownership interests of subsidiaries that do not result in a loss of control are treated as transactions between the company and its owners.

(10) Investment Properties

Investment properties are held for earning rental income, capital appreciation, or both, rather than for normal operations, production, supply of goods or services, or administrative purposes. They are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, using depreciation methods, useful lives, and residual values consistent with real estate, buildings, and equipment.

Gains or losses from the disposal of investment properties (calculated as the difference between the net disposal proceeds and the carrying value) are recognized in the income statement.

Rental income from investment properties is recognized over the lease term using the straight-line method and lease incentives are recognized as a component of lease income over the lease term.

(11) Property, Plant, and Equipment

1. Recognition and Measurement

Property, plant, and equipment items are initially measured at cost (including capitalized borrowing costs) and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

When significant components of property, plant, and equipment have different useful lives, they are treated as separate items (major components) within property, plant, and equipment.

Gains or losses from the disposal of property, plant, and equipment are recognized in the income statement.

2. Reclassification to Investment Properties

When a property previously held for own use is reclassified as an investment property, it should be reclassified as an investment property at it carrying value at the date of reclassification.

3. Subsequent Costs

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the item will flow to the company.

4. Depreciation

Depreciation is calculated by deducting the residual value from the asset cost and recognizing the expense over the estimated useful life of each component using the straight-line method.

Land is not subject to depreciation.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings and structures: 3-50 years.
- Machinery and equipment: 3-10 years.
- Other equipment: 2-15 years.

The company reviews the depreciation method, useful lives, and residual values on an annual basis as of the reporting date and adjusts them as necessary.

(12) Leases

The company evaluates whether a contract constitutes or contains a lease on the inception date. If the contract transfers the right to control the use of identified assets for a period in exchange for consideration, it is considered a lease.

1. Lessee

Upon the lease commencement date, the company recognizes the right-of-use asset and lease liability. The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability, adjusted for any lease payments made before or on the lease commencement date, plus any initial direct costs incurred and estimated costs for dismantling, removal, and restoration of the underlying asset or location, minus any lease incentives received.

Subsequently, the right-of-use asset is depreciated on a straight-line basis over the shorter of its useful life or the lease term. Additionally, the company assesses the right-of-use asset for impairment regularly and recognizes any impairment losses incurred. The right-of-use asset is adjusted in conjunction with the remeasurement of the lease liability.

The lease liability is initially measured at the present value of lease payments unpaid as of the lease commencement date. If the lease's implicit interest rate is readily determinable, the discount rate is that rate. If not readily determinable, the company uses its incremental borrowing rate as the discount rate. The company uses its incremental borrowing rate as the discount rate.

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

(1) Fixed payments, including fixed payments.

(2) Variable lease payments dependent on an index or rate, using the index or rate at the lease commencement date for initial measurement.

(3) Estimated residual value guarantees.

(4) Exercise prices or penalties payable upon certain exercise of purchase options or lease termination options.

Lease liabilities are subsequently measured using the effective interest method to recognize interest expense. They are remeasured when the following events occur:

(1) Changes in lease payment indices or rates result in future lease payment adjustments.

(2) Variations in expected residual value guarantees.

(3) Evaluation changes in purchase options for the underlying assets.

(4) Revisions in estimates for exercising lease extension or termination options, impacting the assessment of the lease term.

(5) Modifications to the lease subject, scope, or other terms.

Remeasurement of lease liabilities corresponds to adjustments made to the carrying value of the right-of-use assets. Any remaining adjustment is recognized in the income statement when the carrying value reaches zero.

For lease modifications reducing the lease scope, the carrying value of the right-of-use assets is decreased to reflect the partial or full termination of the lease. The difference between the asset carrying value and the remeasured lease liabilities is recognized in the income statement.

Non-investment property right-of-use assets and lease liabilities are presented as separate line items in the balance sheet.

Short-term leases and leases of low-value assets, such as parking spaces, are not recognized as right-of-use assets and lease liabilities. Lease payments related to these leases are expensed on a straight-line basis over the lease term.

Regarding leased real estate, the company applies a practical expedient for lease concessions that meet the following criteria:

(1) Lease concessions directly resulting from the COVID-19 pandemic.

(2) Lease payment changes resulting in minimal differences compared to the pre-modification lease payments.

(3) Lease payment reductions only affecting payments due before June 30,2022.

(4) No substantive changes to other terms and conditions of the lease.

Under the practical expedient, changes in lease payments due to lease concessions are recognized in the income statement when the triggering events or circumstances occur.

(1) Lessor

As the lessor, the company classifies lease transactions as either finance leases or operating leases based on the extent of risks and rewards transferred, determining whether all risks and rewards associated with the leased asset are transferred. If so, it is classified as a finance lease; otherwise, it is classified as an operating lease. In the evaluation, the company considers specific indicators, including whether the lease term covers a sizable portion of the economic life of the leased asset.

(13) Intangible assets

1. Recognition and Measurement

Research-related expenditures are recognized in the income statement when incurred.

Development expenditures are capitalized only if their costs can be reliably measured, the technical or commercial feasibility of the product or process has been achieved, future economic benefits are highly probable, the company intends to complete and use or sell the asset, and sufficient resources are available. Other development expenditures are recognized in the income statement when incurred. Once capitalized, development expenditures are measured at cost less accumulated amortization and impairment losses.

Other intangible assets with finite useful lives acquired by the company are measured at cost less accumulated amortization and impairment losses.

2. Subsequent Expenditures

Subsequent expenditures are capitalized only if they can increase the future economic benefits of the specific asset. All other expenditures are recognized in the income statement when incurred.

3. Amortization

Amortization is calculated based on the cost of the asset less estimated residual value, using the straight-line method over the estimated useful life of the intangible asset from the date it is available for use.

The company reviews the residual value, useful life, and amortization method of intangible assets on each reporting date and makes appropriate adjustments when necessary.

(14) Non-Financial Asset Impairment

The Company assesses at each reporting date whether there is any indication that the carrying value of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

For impairment testing, a group of assets with cash inflows that are independent of other individual assets or groups of assets is treated as the smallest identifiable group of assets.

The recoverable amount is the higher of the fair value of an individual asset or cash-generating unit, less costs to sell, and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than it carrying value, an impairment loss is recognized. An impairment loss is recognized immediately in profit or loss.

(15) Revenue from customer contracts

Revenue is measured as the consideration expected to be received in exchange for the transfer of goods or services. The company recognizes revenue when control over the goods or services is transferred to the customer, satisfying the performance obligation. The company's main revenue items are described as follows:

1. Sale of goods

Revenue is recognized when control over the product is transferred. Control transfer occurs when the product is delivered to the customer, and the customer could direct the sale of the product and set the price, with no remaining unfulfilled obligations affecting customer acceptance. Delivery occurs when the product is shipped to a specific location, the risks of obsolescence and loss have transferred to the customer, and the customer has accepted the product under the sales contract, either by expiration of acceptance terms or when objective evidence indicates all acceptance criteria have been met. The company recognizes accounts receivable upon delivery of the goods, as the company has an unconditional right to consideration at that point.

2. Financial components

The time between when the company transfers goods or services to customers and when customers pay for those goods or services does not exceed one year. Therefore, the company does not adjust transaction prices for the time value of money.

(16) Employee benefits

1. Defined Contribution Plans

The obligation for contributions to retirement plans is recognized as an expense during the period in which employees provide services.

2. Short-term employee benefits

The obligation for short-term employee benefits is recognized as an expense when the services are rendered. If the company has a present legal or constructive obligation because of past service provided by employees, and the obligation can be reliably estimated, it is recognized as a liability.

3. Termination Benefits

Termination benefits are recognized as an expense when the company can no longer withdraw the offer of those benefits or when they are recognized earlier as part of a recognized restructuring cost. When termination benefits are not expected to be settled within twelve months after the reporting date, they are discounted.

(17) Income tax

Income taxes, including current and deferred income taxes, are recognized in the income statement, unless they relate to items directly recognized in equity or other comprehensive income, or are associated with business combinations. The company determines that interest or penalties related to income taxes (including uncertain tax treatments) do not meet the definition of income taxes and, therefore, applies the accounting treatment prescribed by International Accounting Standard 37.

Current income taxes include estimated income taxes payable or receivable based on taxable income (loss) for the year, as well as any adjustments to income taxes payable or receivable from prior years. The amount reflects the best estimate of the amounts expected to be paid or received, considering the uncertainty associated with income taxes, using the statutory tax rates or substantively enacted tax rates as of the reporting date.

Deferred income taxes are measured and recognized for temporary differences between the carrying values of assets and liabilities in the financial statements and their tax bases. Temporary differences that meet the following criteria are not recognized for deferred income taxes:

1. Initial recognition of assets or liabilities in transactions that are not business combinations and do not affect accounting profit or taxable income (loss) at the time of the transaction.
2. Temporary differences arising from investments in subsidiaries, associates, and joint ventures for which the company has control over the timing of the reversal of temporary differences and it is probable that they will not reverse soon.
3. Temporary differences arising from the initial recognition of goodwill.

Unused tax losses and unused tax credits that can be carried forward and utilized within the scope of probable future taxable income are recognized as deferred tax assets. They are reassessed at each reporting date and reduced to the extent that it is no longer probable that they will be realized as a tax benefit, or increased to the extent that it becomes probable that there will be sufficient taxable income.

Deferred income taxes are measured using the tax rates expected to apply when the temporary differences reverse, based on the statutory tax rates or substantively enacted tax rates as of the reporting date, and reflect the uncertainty associated with income taxes, if any.

The company offsets deferred tax assets and deferred tax liabilities only if the following conditions are met:

1. There is a legally enforceable right to offset current tax assets and current tax liabilities; and
2. The deferred tax assets and deferred tax liabilities relate to the same taxing authority either;
   (a) of the same taxable entity; or
   (b) of different taxable entities, but each entity intends to settle the current tax liabilities and assets on a net basis or simultaneously realize the assets and settle the liabilities throughout the significant future periods, in each period during which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled on a net basis or simultaneously.

(18) Earnings per Share

The company presents both basic and diluted earnings per share attributable to equity holders of the company. Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company by the weighted average number of outstanding ordinary shares during the period. Diluted earnings per share adjusts the profit or loss attributable to equity holders of the company and the weighted average number of outstanding ordinary shares for the potential dilution effects of all potential dilutive ordinary shares. The potential dilutive ordinary shares of the company are the stock-based employee compensation that has not yet been approved by the board and is eligible for stock issuance.

(19) Departmental Information

The Company has disclosed segment information in the consolidated financial statements and therefore does not disclose segment information in the the Parent Company Only Financial Statements.

V. Key Sources of Significant Accounting Judgments, Estimates, and Assumptions Uncertainties

Management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses in preparing these individual financial statements. Actual results may differ from these estimates.

Management continually reviews its estimates and underlying assumptions, and any changes in accounting estimates are recognized in the period of change and in any affected future periods.

There are no significant accounting judgments involved in the company's accounting policies that have a significant impact on the amounts recognized in these individual financial statements.

The following assumptions and estimates have significant uncertainties that could lead to material adjustments to the carrying values of assets and liabilities in the next fiscal year. These uncertainties have been reflected considering the impact of the COVID-19 pandemic, and the relevant information is as follows:

(1) Valuation of Inventory

Due to the requirement to measure inventory at the lower of cost and net realizable value, the company evaluates the amount of inventory at the reporting date for normal wear and tear, obsolescence, or lack of market sales value, and reduces the inventory cost to its net realizable value. This inventory valuation is primarily based on estimates of future product demand within a specific period, which may be subject to significant changes due to rapid industry developments. For further information on the estimation of inventory, please refer to Notes VI (6).

VI. Description of significant accounting items

(1) Cash and cash equivalents

	2022.12.31	**2021.12.31**
Cash on hand and Petty cash	$202	199
Checks and Bank Deposits	44,127	287,736

Term Deposits	58,518	-
	$102,847	**287,935**

1. Term deposits with original maturities of less than three months are reported as cash and cash equivalents because they are intended to meet short-term cash commitments rather than for investment or other purposes and are readily convertible to Time Deposits with minimal risk of changes in value. As of December 31, 2022 and 2021, bank time deposits with original maturities of more than three months were reported as other financial assets-current, amounting to $19,962 thousand and $0 thousand, respectively.
2. Please refer to Notes VI (21) for the disclosure of the Company's financial assets with respect to exchange rate and interest rate risks and sensitivity analysis.

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

	2022.12.31	**2021.12.31**
Financial assets at fair value through profit or loss are mandatorily measured at fair value:		
Non-Hedge Derivatives		
Foreign exchange forward contracts	**$614**	**-**

Derivative financial instruments are used to hedge the exchange rate risk exposed from operating activities. The Company's derivative instruments, which are reported as financial assets at fair value through profit or loss on a mandatory basis because hedge accounting is not applicable, are as follows:

	2022.12.31		
	Contract amount (thousand dollars)	**Currency**	**Expiration Period**
Derivative financial assets:			
Exchange Contracts:			
SWAP	USD 20,200	US Dollar to Taiwan Dollar	2024.4.17~2024.12.26

For the years ended December 31, 2022 and 2021, the net gain on financial assets at fair value through profit or loss was $64,562 thousand and $0 thousand, respectively.

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

	2022.12.31	**2021.12.31**
Equity instruments measured at FVOCI:		
Domestic Unlisted (OTC) Company Stock-		
NOA GROUP CORP.	**$40,523**	**60,913**

1. The Company holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes and therefore have been designated as measured at fair value through other comprehensive income.

2.The Company did not dispose of its strategic investments in 2022 and 2021, and the accumulated gains and losses were not transferred to equity during those years.

3.The unrealized valuation losses on financial assets at fair value through other comprehensive income were $20,390 and $61,411 for the years ended December 31, 2022 and 2021 respectively.

4. Please refer to Notes VI (21) for the Company's market risk information.

5. None of the above financial assets were pledged as collateral.

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

	2022.12.31	2021.12.31
Accounts receivable	$68,522	63,034
Less: Allowance for doubtful accounts	(28)	(14)
	$68,494	63,020
Notes and accounts receivable, net	$31,808	46,370
Accounts receivable - related parties, net	36,686	16,650
	$68,494	63,020

The Company uses a simplified approach to estimate expected credit losses for all notes and accounts receivable, i.e., the expected credit losses are measured using the expected credit losses over the life of the accounts and incorporate forward-looking information such as historical credit loss experience and reasonable projections of future economic conditions. The expected credit losses on notes and accounts receivable are analyzed as follows:

	2022.12.31		
	Gross Carrying value	Weighted Average Loss Ratio	Loss allowance provision
Current	$54,424	-%	-
Within 30 days overdue	14,072	0.01%	2
31~60 days past due	-	-%	-
61~90 days past due	-	-%	-
91~120 days past due	-	-%	-
Over 121 days past due	26	100.00%	26
	$68,522		28

	2021.12.31		
	Gross Carrying value	Weighted Average Loss Ratio	Loss allowance provision
Current	$52,952	0.02%	9
Within 30 days overdue	10,056	0.04%	4

31~60 days past due	1	0.72%	-
61~90 days past due	25	3.37%	1
	$63,034		14

The expected credit loss analysis and aging analysis of non-Taiwanese notes and accounts receivable were as follows.

The changes in the Allowance for doubtful accounts on notes and accounts receivable were as follows:

	Year 2022	Year 2021
Opening balance	$14	153
Impairment loss recognized (reversed)	14	(139)
Ending balance	$28	14

As of December 31, 2022 and 2021, the Company's notes and accounts receivable were not pledged as collateral.

(5) Other receivables

	2022.12.31	2021.12.31
Business tax refund receivable	$3,054	5,675
Pension receivable settlements	11,922	11,922
Others	1,254	591
	$16,230	18,188

As of December 31, 2022 and 2021, none of the Company's other receivables had been pledged as collateral.

(6) Inventory

	2022.12.31	2021.12.31
Finished goods	$161,440	242,966
Work in progress	1,039	5,510
Raw Materials	197,738	189,005
Supplies	-	1,274
	$360,217	438,755

For the years ended December 31, 2022 and 2021, the cost of inventories recognized as Cost of revenue was $587,310 thousand and $550,516 thousand, respectively, and the unapportioned manufacturing expenses were $0 thousand and $130 thousand, respectively.

The Company recognizes a decrease in the net realizable value of inventories and a loss on obsolescence due to the write-down of inventories to their net realizable value, or the sale or retirement of obsolete inventories, resulting in the reversal of the loss on the decline in value of inventories, which is reported as Cost of revenue as follows:

	Year 2022	Year 2021
Reversals (write-down) of inventory	$78,371	(1,543)

As of December 31, 2022 and 2021, none of the Company's inventories were pledged as collateral.

(7) Investments accounted for using the equity method

1. The Company's investments accounted for using the equity method as of the reporting date are presented as follows:

	2022.12.31	2021.12.31
Subsidiaries	$136,452	131,937
Associates	21,792	90,319
Total	$158,244	222,256

2. Subsidiaries

Please refer to the Consolidated Financial Statements for the year ended December 31, 2022.

3. Information on associates that are significant to the Company is as follows:

Name of associate	Principal activities	Place	Ownership interest and Percentage of voting rights 2022.12.31	Ownership interest and Percentage of voting rights 2021.12.31
Chungtai Chonghong Development Corporation (JUT CHONG HONG CO.)	The core business is the development, rental and sale of residential properties and buildings, which is the strategic alliance of the Company	Taiwan	28.57%	28.57%

Aggregated financial information for the Company's affiliates that are significant to the Company is as follows, adjusted for the amounts included in the IFRS financial statements of each affiliate to reflect the fair value adjustments made upon the acquisition of the Company's equity interest in the affiliate and adjustments for differences in accounting policies:

Aggregate financial information of JUT CHONG HONG CO.:

	2022.12.31	2021.12.31
Current assets	$34,399	286,726
Non-current assets	-	-
Current liabilities	(1,023)	(13,710)
Non-current liabilities	(4,676)	(4,676)
Net Assets	$28,700	268,340

	Year 2022	Year 2021
Operating income	$-	67,450
Net profit for the period	$ (2,550)	12,538
Other comprehensive income or loss	-	-

Total consolidated profit or loss	$ (2,550)	12,538

	Year 2022	Year 2021
The Company's share of net assets of affiliated companies at the beginning of the period	$76,665	139,080
Total consolidated profit or loss for the period attributable to the Company	(729)	3,582
Return of shares from the capital reduction of affiliated companies during the period	(49,997)	-
Dividends received from affiliated companies during the period	(17,739)	(65,997)
The Company's share of net assets of affiliated companies at the end of the period	$8,200	76,665

4. The aggregate financial information of the Company's equity-method affiliates, which are individually insignificant, is as follows, which are included in the Company's the Parent Company Only Financial Statements:

	2022.12.31	2021.12.31
Total carrying value of equity in individual insignificant affiliates at the end of the period	$13,592	13,654

	Year 2022	Year 2021
Share attributable to the Company:		
Net income (loss)	$ (62)	40
Other comprehensive income or loss	-	-
Total consolidated profit or loss	$ (62)	40

5. Guarantee

As of December 31, 2022 and 2021, the Company's investments accounted for using the equity method were not pledged as collateral.

(8) Property, plant and equipment

The changes in the Company's property, plant and equipment are as follows:

	Land	Buildings and structures	Machinery and Equipment	Other Equipment	Construction in progress	Total
Costs or Recognized Costs:						
Balance at Jan 1 2022	$338,797	116,057	59,847	169,156	751	684,608
Add	-	-	-	-	339	339
Transfer in (out)	(17,176)	15,302	369	2,101	(751)	(155)
Balance at Dec 31, 2022	$321,621	131,359	60,216	171,257	339	684,792

Balance at Jan 1 2021	$453,461	213,628	262,078	196,951	3,551	1,129,669
Disposals	-	(1,404)	(202,231)	(28,792)	-	(232,427)
Transfer in (out)	(114,664)	(96,167)	-	997	(2,800)	(212,634)
Balance at Dec 31 2021	**$338,797**	**116,057**	**59,847**	**169,156**	**751**	**684,608**
Accumulated depreciation and impairment:						
Balance at Jan 1 2022	$-	89,141	54,825	166,023	-	309,989
Depreciation	-	2,054	849	928	-	3,831
Transfer in (out)	-	8,748	-	-	-	8,748
Balance at Dec 31, 2022	**$-**	**99,943**	**55,674**	**166,951**	**-**	**322,568**
Balance at Jan 1 2021	$-	152,677	255,207	193,857	-	601,741
Depreciation	-	3,019	947	953	-	4,919
Disposition	-	(1,404)	(201,329)	(28,787)	-	(231,520)
Transfer in (out)	-	(65,151)	-	-	-	(65,151)
Balance at Dec 31, 2021	**$-**	**89,141**	**54,825**	**166,023**	**-**	**309,989**
Book Value:						
Dec 31, 2022	**$321,621**	**31,416**	**4,542**	**4,306**	**339**	**362,224**
Jan 1, 2021	**$453,461**	**60,951**	**6,871**	**3,094**	**3,551**	**527,928**
Dec 31, 2021	**$338,797**	**26,916**	**5,022**	**3,133**	**751**	**374,619**

1. Reclassified to investment property

In April 2021 and August 2022, the Company leased part of its self-owned factories to third parties and reclassified the real estate as investment real estate, please refer to Notes VI (10).

For the years ended December 31, 2022 and 2021, the Company provided pledges of property, plant and equipment as collateral.

(9) Right-to-use assets

The changes in the cost, depreciation and impairment losses of the Company's leased warehouse and transportation equipment are as follows:

	Buildings and structures	**Transportation Equipment**	**Total**
Cost of right-to-use assets:			
Balance at Jan 1, 2022	$30,950	2,711	33,661
Add	203	-	203
Balance at Dec 31, 2022	**$31,153**	**2,711**	**33,864**
Balance at Jan 1, 2021	$30,950	2,711	33,661

Add	-	-	-
Balance at Dec 31, 2021	**$30,950**	**2,711**	**33,661**
Depreciation and impairment loss on right-of-use assets:			
Balance at Jan 1, 2022	$21,088	2,109	23,197
Depreciation	7,030	602	7,632
Balance at Dec 31, 2022	**$28,118**	**2,711**	**30,829**
Balance at Jan 1, 2021	$14,059	1,205	15,264
Depreciation	7,029	904	7,933
Balance at Dec 31, 2021	**$21,088**	**2,109**	**23,197**
Book Value:			
Dec 31, 2022	**$3,035**	**-**	**3,035**
Jan 1, 2021	**$16,891**	**1,506**	**18,397**
Dec 31, 2021	**$9,862**	**602**	**10,464**

(10) Investment property

The Company's investment properties are its own assets, which are leased to third parties under operating leases for their plants and offices. The original non-cancelable period of the leased investment properties is 1 to 10 years, and some of the leases provide the lessee with the option to extend the period upon expiration. The rental income of the leased investment properties is fixed. The changes are as follows:

	Amount
Cost:	
Balance at Jan 1, 2022	$350,020
Net transfer from property, plant and equipment	2,487
Balance at Dec 31, 2022	**$352,507**
Balance at Jan 1, 2021	$135,364
Transfer from property, plant and equipment	214,656
Balance at Dec 31, 2021	**$350,020**
Depreciation and impairment losses:	
Balance at Jan 1, 2022	$101,857
Depreciation for the year	1,745
Transfer from property, plant and equipment	(8,747)
Balance at Dec 31, 2022	**$94,855**
Balance at Jan 1, 2021	$36,304
Depreciation for the year	403
Transfer from property, plant and equipment	65,150
Balance at Dec 31, 2021	**$101,857**
Book Value:	
Dec 31, 2022	**$257,652**
Jan 1, 2021	**$99,060**

Dec 31, 2021	$248,163

1. Investment properties are factories and offices leased to others. Each lease agreement includes an original non-cancelable lease term, and subsequent lease renewals are negotiated with the lessee and no contingent rent is charged. In addition, the Company transferred its property, plant and equipment to investment property in April 2021 because it no longer uses part of the plant and decided to lease the plant to others, as described in Notes VI (8).
2. The fair value of investment properties is based on recent transaction prices in similar locations and types by referring to the Real Estate Transaction Price Inquiry Service website of the Ministry of the Interior and the website of the real estate agency. The input values used in the fair value valuation technique are classified as Level 3. As of December 31, 2022 and 2021, the fair values of investment properties were $1,037,736 thousand and $1,126,103 thousand, respectively.
3. The Company leases out its investment properties, which are classified as operating leases because all the risks and rewards incidental to the ownership of the subject assets have not been transferred. The maturity analysis of lease payments to report the total undiscounted lease payments to be received in the future is presented in the following table:

	2022.12.31	2021.12.31
Less than 1 year	$22,807	20,174
1~2 years	18,550	16,342
2~3 years	16,492	15,310
3~4 years	14,920	15,412
4~5 years	11,808	14,920
More than 5 years	25,230	35,670
Total undiscounted lease payments	$109,807	117,828

Rental income from investment properties amounted to $24,329 thousand and $15,492 thousand for the years ended December 31, 2022 and 2021, respectively.

4. The Company provided some investment properties as collaterals for bank loans, please refer to Note (VIII).

(11) Other non-current assets

The breakdown of the Company's other non-current assets is as follows:

	2022.12.31	2021.12.31
Prepayment for development projects	$53,390	8,598
Others	2,953	3,253
	$56,343	11,851

The prepayment for the development project is the necessary cost that should be paid in advance according to the contract between the Company and Fupin Construction Co.

(12) Short-term borrowings

The breakdown of the Company's short-term borrowings is as follows:

	2022.12.31	2021.12.31
Secured loans	$100,000	679,000
Short-term notes payable	-	110,000
	$100,000	**789,000**
Unused credit	**$841,000**	**761,000**
Interest Rate intervals	**1.945%**	**0.98%~1.4%**

1. Please refer to Notes VI (21) for information on the Company's interest rate and liquidity risk.
2. The Company pledged assets as collaterals for bank loans, please refer to Note (VIII).

(13) Long-term loans

The breakdown of the Company's long-term loans is as follows:

	2022.12.31	2021.12.31
Guaranteed bank loans (1)	$80,400	256,000
Guaranteed bank loans (2)	-	90,000
Subtotal	80,400	346,000
Less: Long-term loans due within one year	(15,600)	(15,600)
Total	**$64,800**	**330,400**
Unused credit	**$729,600**	**564,000**
Interest Rate Range	**1.7918%**	**1.30%~1.4099%**

1) Guaranteed bank loans (1): In November 2020, the Company applied to Shin Kong Bank for a 7-year extension of the loan, repayable in 84 monthly installments of $1,300 thousand from November 2020 to November 2027. In addition, the Company made early repayments of $40,000 thousand, $100,000 thousand and $160,000 thousand in March and July of 2021 and October of 2022, respectively.

2) Guaranteed bank loans (2): In June 2021, the Company entered a medium- and long-term loan contract Hua Nan Bank with maturity date in June 2024. The Company repaid $100,000 thousand, $40,000 thousand, $35,000 thousand and $15,000 thousand in December 2021, January, April and May 2022, respectively.

3. Please refer to Notes VI (21) for details of the Company's interest rate and liquidity risk exposures.

4) The Company pledged assets as collaterals for bank loans, please refer to Note (VIII).

(14) Lease liabilities

The carrying values of the Company's lease liabilities were as follows:

	2022.12.31	2021.12.31
Current	**$3,090**	**7,746**
Non-Current	**$47**	**2,988**

For maturity analysis, please refer to Notes VI (21) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	Year 2022	Year 2021
Interest expense on lease liabilities	$125	262
Short-term lease fees	$216	216

The amounts recognized in the statement of cash flows are as follows:

	Year 2022	Year 2021
Total cash outflow from leases	$8,141	8,450

The Company leases warehouse and transportation equipment for a period of two to five years.

In addition, the Company leases parking spaces for less than one year. These leases are short-term leases and the Company has elected to apply the exemption from recognition and not recognize the related right-of-use assets and lease liabilities.

(15) Employee benefits

1. Determination of Welfare Plan

As of December 10, 2019, employees of the Company no longer have qualifying service years under the "Labor Standards Act." The Company has applied for the refund of the amount of NTD 11,922 thousand from the Taoyuan City Government Labor Bureau, which has not been received as of December 31, 2022. It is recorded as Other Receivable.

2. Determination of Provision Plan

The pension costs under the Company's defined contribution pension plan are as follows:

	Year 2022	Year 2021
Operating Costs and Operating Expenses	$1,427	1,448

(16) Income Tax

1. Income tax expense

(1) The breakdown of income tax expense (benefit) for the years ended December 31, 2022 and 2021 is as follows:

	Year 2022	Year 2021
Current income tax expense	$-	-

(2) The breakdown of income tax expense (benefit) recognized under other comprehensive income for the years ended December 31, 2022 and 2021 is as follows:

	Year 2022	Year 2021
Items that may be reclassified to profit or loss in the future.		
Exchange differences on translation of financial statements of foreign operating	$397	(157)

institutions

(3) A reconciliation of income tax expense (benefit) to net income before income taxes for the years ended December 31, 2022 and 2021 is as follows:

	Year 2022	Year 2021
Net income before tax	**$37,030**	**9,647**
Income tax calculated at the domestic tax rate of the Company's location	$7,406	1,929
Non-deductible expenses	3,660	854
Recognition of unrecognized tax losses in prior periods	(27,735)	-
Unrecognized deductible temporary differences and loss deduction	16,669	(2,783)
Income tax expense	**$-**	**-**

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax liabilities: None.

(2) Unrecognized deferred tax assets

The Company's unrecognized deferred tax assets are as follows:

	2022.12.31	2021.12.31
Deductible Temporary Differences	$95,943	79,272
Tax loss	13,919	43,522
	$109,862	**122,794**

The tax loss carryforward, as per the tax regulations, allows the Company to offset the current year's taxable income with the accumulated losses from the preceding ten years, subject to approval by the tax authorities. These items are not recognized as deferred tax assets because it is not highly probable that the Company will generate sufficient taxable income in the future to utilize these temporary differences.

As of December 31, 2022, the Company had not recognized tax losses on deferred income tax assets, which are deductible as follows:

Occur Year	Deductible losses	Final Deductible Year
2014	$6,101	2024
2015	20,300	2025
2016	3,613	2026
2020	20,463	2030
2021	19,117	2031
	$69,594	

(3) Recognized Deferred tax assets and liabilities

The changes in deferred income tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Allowance for Account Receivable	Investment loss recognized under equity method	allowance to reduce inventory to market	Others	Total
Deferred income tax assets:					
Balance, 2022/01/01	$108	48,155	34,092	978	83,333
(Debit)/Loss on credit	-	-	-	-	-
Balance, 2022/12/31	**$108**	**48,155**	**34,092**	**978**	**83,333**
Balance, 2021/01/01	$108	44,928	34,400	3,897	83,333
(Debit)/Loss on credit	-	3,227	(308)	(2,919)	-
Balance, 2021/12/31	**$108**	**48,155**	**34,092**	**978**	**83,333**

	Land Value Added Tax	Cumulative translation adjustment	Others	Total
Deferred income tax liabilities:				
Balance, 2022/01/01	$65,656	13,924	2,383	81,963
Debit/(credit) to other comprehensive income	-	397	-	397
Balance, 2022/12/31	**$65,656**	**14,321**	**2,383**	**82,360**
Balance, 2021/01/01	$65,656	14,081	2,383	82,120
Debit/(credit) to other comprehensive income	-	(157)	-	(157)
Balance, 2021/12/31	**$65,656**	**13,924**	**2,383**	**81,963**

3. Income tax assessment status

The Company's income tax returns have been examined and cleared by the tax authorities through 2020.

(17) Equity

1. Common stock

As of December 31, 2022 and 2021, the Company's total authorized capital was $1,900,000 thousand with a par value of $10 per share, both amounting to 190,000 thousand shares, and the issued shares were 160,405 thousand shares. All issued shares have been received.

2. Capital surplus

The balance of the Company's capital surplus is as follows:

	2022.12.31	2021.12.31
Issue of shares premium	$26,753	26,753

In accordance with the Company Law, capital surplus is required to cover losses before capitalization or cash dividends can be paid based on the realized capital surplus from the stockholders' shares. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares more than par value and the proceeds from gifts. In accordance with the Guidelines Governing the Issuer's Capital Raising and Issuance of Securities, the total amount of capital surplus that may be capitalized each year may not exceed 10% of the paid-in capital.

3. Retain Earnings

(1) Legal reserve

If the Company has no losses, it may issue new shares or cash from the legal reserve by resolution of the shareholders' meeting, provided that the amount of such reserve exceeds 25% of the paid-in capital.

(2) Earnings distribution and dividend policy

Pursuant to the company's bylaws, in the annual financial statements, any profit shall be subject to tax payments and used to offset accumulated losses. Afterward, 10% shall be allocated as legal reserve, and the remaining amount shall be allocated or reversed according to legal requirements, as determined by the board of directors in a proposal submitted to the shareholders' meeting for the distribution of dividends to shareholders.

The dividend policy of the company is aligned with current and future development plans, considering investment environment, capital requirements, domestic and international competition, and shareholders' interests. Each year, a minimum of 10% of distributable profits is allocated for the distribution of shareholder dividends. However, if the accumulated distributable profit is less than 1% of the paid-in capital, distribution may be waived. When distributing dividends to shareholders, it may be in the form of cash or stock, with cash dividends not less than 10% of the total dividends.

The distribution of dividends, capital surplus, or legal reserve can be done in cash, and authorization from the board of directors is required, with attendance of at least two-thirds of the directors, and approval by most of the attending directors, followed by reporting to the shareholders' meeting.

Resolutions for the offsetting of losses were approved in the shareholders' meetings held on June 15th of 2022 and July 15th of 2021, respectively, for the fiscal years 2021 and 2020. Relevant information regarding these resolutions can be obtained from the Market Observation Post System website.

4. Other equity (net of tax)

	Exchange differences on translation of financial statements	**Unrealized gain or loss on FVOCI**

	of foreign operations	
Balance, 2022/01/01	$55,691	55,113
Exchange differences arising from the translation of net assets of foreign operating entities	1,590	-
Unrealized gain or loss on FVOCI	-	(20,390)
Balance, 2022/12/31	**$57,281**	**34,723**
Balance, 2021/01/01	$56,318	116,524
Exchange differences arising from the translation of net assets of foreign operating entities	(627)	-
Unrealized gain or loss on FVOCI	-	(61,411)
Balance, 2021/12/31	**$55,691**	**55,113**

(18) Earnings per share

The calculation of the Company's earnings per share is as follows:

	Year 2022	Year 2021
Basic earnings per share		
Profit attributable to ordinary shareholders	**$37,030**	**9,647**
Weighted-average number of ordinary shares outstanding (in thousands)	**160,405**	**160,405**
Basic earnings per share (NT$)	**$0.23**	**0.06**
Diluted earnings per share (Note)	**$0.23**	**0.06**

Note: The Company has no potential common stock with dilutive effect.

(19) Net Revenue

1. Breakdown of revenue

	Year 2022			
	Garment Fabric	ATY	Others	Total
Main product/service lines:				
Sales revenue	**$228,526**	**372,764**	**85,032**	**686,322**

	Year 2021			
	Garment Fabric	ATY	Others	Total
Main product/service lines:				
Sales revenue	**$144,291**	**361,706**	**114,266**	**620,263**

2. Contract balance

	2022.12.31	2021.12.31	2021.1.1
Notes and accounts receivable (including related parties)	$68,522	63,034	46,886
Less: Allowances	(28)	(14)	(153)

	$68,494	**63,020**	**46,733**
Contract Liabilities	**$53**	**520**	**569**

Please refer to Notes VI (4) for the disclosure of accounts receivable and impairment loss.

The change in contract liabilities arises from the difference between the point at which the Company transfers goods or services to customers to satisfy its performance obligations and the point at which customers pay.

(20) Employees' compensation and remuneration to directors and supervisors

According to the company's bylaws, if there is pre-tax profit after deducting employee compensation and director remuneration, a provision of 1% to 5% should be allocated for employee compensation, which can be distributed in the form of stock or cash based on the board of directors' resolution. The recipients of such allocation include qualifying employees of subsidiary companies. The company may also allocate an amount not exceeding 1% of the profit for director remuneration, subject to the board of directors' decision. However, When the company has accumulated losses, an amount should be reserved for offsetting before allocating compensation based on the proportions.

For the years ended December 31, 2022 and 2021, the Company had accumulated losses and did not have to estimate compensation to employees and directors.

Information on the remuneration of employees and directors resolved by the board of directors for the years ended December 31, 2022 and 2021 is available on the Market Observation Post System website.

(21) Financial instruments

1. Credit risk

(1) Maximum amount of credit risk exposures

The carrying value of financial assets represents the maximum amount of credit risk.

(2) Concentration of credit risk

Since the Company has a large customer base and does not have a significant concentration of transactions with a single customer, there is no significant concentration of credit risk on accounts receivable. To reduce credit risk, the Company regularly and continuously evaluates the financial position of its customers but does not normally require collateral from them.

(3) Credit risk of receivables

Please refer to Notes VI (4) for the credit risk exposure information of notes and accounts receivable. Other financial assets measured at amortized cost consist of other receivables and time deposits, etc. Please refer to Notes VI (5) for other receivables.

The above are financial assets with low credit risk, therefore, the Allowance for doubtful accounts is measured based on the expected credit losses for the 12-month period (please refer to Note (IV)(6) for the explanation of how the Company determines low credit risk). For the time deposits held by the Company, the counterparties are financial institutions with investment grade or above, and therefore are considered to have low credit risk.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the effect of netting agreements.

	Carrying value	**Contracts Cash flow**	**Within 1 year**	**1-2 years**	**Over 2 years**
Dec. 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	$100,000	(100,160)	(100,160)	-	-
Notes and accounts payable (including related parties)	72,568	(72,568)	(72,568)	-	-
Other payables (including related parties)	22,425	(22,425)	(22,425)	-	-
Lease liabilities (including current and non-current)	3,137	(3,151)	(3,104)	(47)	-
Long-term loans (including those due within one year)	80,400	(84,123)	(16,904)	(16,624)	(50,595)
Guarantee deposits received	4,577	(4,577)	-	-	(4,577)
	$283,107	**(287,004)**	**(215,161)**	**(16,671)**	**(55,172)**
Dec. 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	$789,000	(791,933)	(791,933)	-	-
Notes and accounts payable (including related parties)	81,821	(81,821)	(81,821)	-	-
Other payables (including related parties)	19,872	(19,872)	(19,872)	-	-
Lease liabilities (including current and non-current)	10,734	(10,870)	(7,869)	(3,001)	-
Long-term loans (including the portion due within one year)	346,000	(366,567)	(20,271)	(20,052)	(326,244)
Guarantee deposits received	5,146	(5,146)	-	-	(5,146)
	$1,252,573	**(1,276,209)**	**(921,766)**	**(23,053)**	**(331,390)**

The Company does not expect the timing of cash flows for the maturity analysis to occur significantly earlier or for the actual amounts to differ significantly.

3. Exchange rate risk

(1) Exchange rate risk of the risk of violence

The Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

Foreign currency unit: thousand

	2022.12.31	**2021.12.31**

	Foreign Currency	Exchange rate	$NTD	Foreign Currency	Exchange rate	$NTD
Financial Assets						
Monetary items						
USD	$6,088	USD/TWD = 30.71	186,962	22,336	USD/TWD = 27.68	618,260
Financial liabilities						
Monetary items						
USD	641	USD/TWD = 30.71	19,685	1,059	USD/TWD = 27.68	29,313

(2) Sensitivity analysis

The Company's exposure to exchange rate risk for monetary items arises primarily from foreign currency denominated cash and cash equivalents, accounts receivable, other financial assets, loans, accounts payable and other payables, which are translated into foreign currency at the time of translation. As of December 31, 2022 and 2021, if the New Taiwan dollar had strengthened or weakened by 5% against the U.S. dollar, with all other factors held constant, pre-tax income would have increased or decreased by $8,364 and $29,447, respectively, for the years ended December 31, 2022 and 2021. The same basis of analysis was used for both periods.

(3) Exchange gain or loss on monetary items

The Company's functional currency is the New Taiwan dollar, and the information on foreign currency exchange gains and losses (including realized and unrealized gains and losses) for the years ended December 31, 2022 and 2021 are $14,208 thousand and $(13,205) thousand, respectively.

4. Interest rate analysis

The breakdown of the Company's interest rate risk on financial assets and financial liabilities is as follows:

	2022.12.31	2021.12.31
Variable rate instruments:		
Financial Assets	$43,193	282,026
Financial liabilities	80,400	346,000

The sensitivity analysis below is based on the interest rate risk of the non-derivative instruments at the reporting date. For floating rate assets and liabilities, the analysis assumes that the amounts of assets and liabilities outstanding at the reporting date are outstanding for the entire year. The rate of change used in reporting interest rates internally to key management is a one-digit increase or decrease in interest rates, which also represents management's assessment of the range of changes in interest rates.

If interest rates had increased or decreased by one dollar, with all other variables held constant, the Company's net income before income taxes would have decreased or increased by $93 thousand and $160 thousand for the years ended December 31, 2022 and 2021, respectively, primarily due to the Company's variable-rate bank deposits and long-term and short-term borrowings.

5. Other price risks

If the price of equity securities had changed at the reporting date (the same basis was used for both periods of analysis and other changes were assumed to be constant), the effect on other comprehensive income or loss would have been as follows:

Price of securities on the reporting date	**Year 2022**	**Year 2021**
Up 5%	$2,026	3,046
Down 5%	$ (2,026)	(3,046)

6. Fair value

(1) Types of financial instruments and fair values

The Company's financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying values and fair values of financial assets and financial liabilities (including fair value hierarchy information, except for financial instruments not carried at fair value whose carrying values are a reasonable approximation of fair value, and lease liabilities, for which disclosure of fair value information is not required by regulation) are presented as follows:

	2022.12.31				
		Fair Value			
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL:					
Derivative financial instruments	$614	-	614	-	614
FVOCI:					
Domestic Unlisted (OTC) Stocks	40,523	-	-	40,523	40,523
Financial assets measured at AC:					
Cash and cash equivalents	102,847	-	-	-	-
Notes and accounts receivable, net	31,808	-	-	-	-
Accounts receivable - related parties, net	36,686	-	-	-	-
Other receivables (including related parties)	45,340	-	-	-	-

Other Financial Assets	21,316	-	-	-	-
Guarantee deposits paid (included in other non-current assets)	2,953	-	-	-	-
	240,950				
	$282,087				
Financial liabilities measured at AC:					
Short-term borrowings	$100,000	-	-	-	-
Notes and accounts payable (including related parties)	72,568	-	-	-	-
Other payables (including related parties)	22,425	-	-	-	-
Lease liabilities (including current and non-current)	3,137	-	-	-	-
Long-term loans (including the portion due within one year)	80,400	-	-	-	-
Guarantee deposits received	4,577	-	-	-	-
	$283,107				

	2021.12.31				
		Fair Value			
	Carrying value	Level 1	Level 2	Level 3	Total
FVOCI:					
Domestic Unlisted (OTC) Stocks	$60,913	-	-	60,913	60,913
Financial assets measured at AC:					
Cash and cash equivalents	287,935	-	-	-	-
Notes and accounts receivable, net	46,370	-	-	-	-
Accounts receivable - related parties, net	16,650	-	-	-	-
Other receivables (including related parties)	346,725	-	-	-	-
Other Financial Assets	361,185	-	-	-	-
Guarantee deposits paid (included in other non-current assets)	2,822	-	-	-	-
	1,061,687				
	$1,122,600				
Financial liabilities measured at amortized cost:					
Short-term borrowings	$789,000	-	-	-	-

Notes and accounts payable (including related parties)	81,821	-	-	-	-
Other payables (including related parties)	19,872	-	-	-	-
Lease liabilities (including current and non-current)	10,734	-	-	-	-
Long-term loans (including the portion due within one year)	346,000	-	-	-	-
Guarantee deposits received	5,146	-	-	-	-
	$1,252,573				

(2) Valuation Techniques for Financial Instruments Measured at Non-Fair Value

The methods and assumptions used by the company to estimate the fair value of financial assets and liabilities measured at amortized cost in the individual financial statements are as follows:

A. The carrying values of financial assets and liabilities measured at amortized cost in the individual financial statements approximate their fair values.

(3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-Derivative Financial Instruments

For financial instruments with active market quotations, the fair value is determined based on the quoted prices in active markets.

If timely and regularly obtainable from exchanges, brokers, underwriters, industry associations, pricing service providers, or regulatory authorities, and the prices represent actual and regularly occurring transactions by market participants, the financial instruments are considered to have active market quotations. If the above conditions are not met, the market is considered illiquid. A large bid-ask spread, significant increase in bid-ask spread, or low trading volume are indicators of an illiquid market.

The fair value of financial instruments is obtained through valuation techniques or reference to quotes from market participants. The fair value obtained through valuation techniques may refer to the current fair value of other financial instruments with similar conditions and characteristics, discounted cash flow models, or other valuation techniques, including the use of models based on market information available as of the reporting date.

For financial instruments held by the company without active markets, such as unquoted equity instruments, the fair value is estimated using the market comparable company method based on earnings per share and the price-to-earnings ratio of comparable listed companies. This estimate is adjusted for the lack of market liquidity discount impacting the equity securities.

B. Derivative Financial Instruments

Valuation is based on widely accepted valuation models in the market, such as discounted cash flow models and option pricing models.

(4) There were no transfers in fair value hierarchy of financial assets and financial liabilities for the years ended December 31, 2022 and 2021.

(5) Level 3 Change Statement:

	Equity instruments measured at fair value through other comprehensive income - not publicly quoted
Balance, 2022/01/01	$60,913
Total Benefit or Loss	
Recognized in other comprehensive income	(20,390)
Balance, 2022/12/31	**$40,523**
Balance, 2021/01/01	$122,324
Total Benefit or Loss	
Recognized in other comprehensive income	(61,411)
Balance, 2021/12/31	**$60,913**

The above total gains or losses are reported as "Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income". Of these, those related to assets and liabilities still held as of December 31, 2022 and 2021 were as follows:

	Year 2022	**Year 2021**
Total Benefit or Loss Recognized in other comprehensive income (reported as "Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income")	**$ (20,390)**	**(61,411)**

(6) Quantitative information on fair value measurements of significant unobservable inputs (Level 3)

The Company's fair value measurement is classified as financial assets measured at fair value through other comprehensive income - investments in equity securities in Level 3.

The Company's investments in equity instruments with no active market, which are classified in Level 3 of the fair value hierarchy, have plural significant unobservable inputs. Significant unobservable inputs from equity instruments with no active market are not correlated with each other because they are independent of each other.

The quantitative information of significant unobservable input values is listed below:

Project	Evaluation Techniques	Significantly Unavailable Observe input values	Significant Unobservable Input Value and Fair Value Relationship
FVOCI - investments in equity instruments with no active market	Comparable to listed companies	Principal-to-benefit ratio multiplier (14.73 and 28.15 for 2022.12.31 and 2021.12.31, respectively)	The higher the multiplier, the higher the fair value
		Lack of marketability discount (20% on both 2022.12.31 and 2021.12.31)	The higher the discount for lack of marketability, the lower the fair value

(7) For Level 3 fair value measurements, the sensitivity of fair value to reasonably feasible alternative assumptions

The Company's fair value measurements of financial instruments are reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, the effect on the profit or loss for the period or other comprehensive income if the valuation parameters are changed is as follows:

		Up or down	Fair value changes are reflected in Other comprehensive income	
Financial assets measure at	**Input Value**	**Change**	**Favorable changes**	**Unfavorable changes**
2022/12/31				
FVOCI	Principal to Benefit Multiplier	5%	$2,117	(2,122)
FVOCI	Lack of marketabilit	5%	$528	(534)

	y discount			
2021/12/31				
FVOCI	Principal-to-Benefit Ratio Multiplier	5%	**$3,068**	**(3,068)**
FVOCI	Lack of marketability discount	5%	**$771**	**(765)**

The company recognizes both favorable and unfavorable changes in fair value, which are caused by the volatility of fair value. Fair value is determined based on unobservable input parameters to valuation techniques. If the fair value of a financial instrument is influenced by more than one input value, the table above reflects only the impact of a single input value change and does not take into consideration the correlation and variability between input values.

(22) Financial risk management

1. Overview

The Company is exposed to the following risks arising from the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

These notes present information on the Company's exposure to each of the above risks and the Company's objectives, policies and procedures for measuring and managing those risks. For further quantitative disclosures, please refer to the respective notes to the the Parent Company Only Financial Statements.

2. Risk Management Framework

The purpose of the Company's financial risk management is to identify and evaluate the exchange rate risk, interest rate risk, credit risk and liquidity risk arising from the Company's operations and to hedge the uncertainty of the market to reduce the possible adverse impact of market changes on the Company's financial performance.

The Company's significant financial activities are carried out in accordance with the overall financial risk management and segregation of duties and responsibilities procedures.

3. Credit risk

Credit risk is the risk of monetary loss arising from the failure of the Company's customers or counterparties to financial instruments to meet their contractual obligations and arises primarily from the Company's accounts receivable from customers and investments.

(1) Accounts receivable and other receivables

However, the Company still adopts a more stringent credit policy and actively solicits customers to make prepayments or open letters of credit to reduce the degree of credit risk.

For credit facilities granted to long-term customers, the Company reviews the credit terms and limits periodically, considering the customers' financial condition, internal credit ratings, payment history and the prevailing economic climate.

The Company maintains an allowance for doubtful accounts to reflect estimates of losses incurred on accounts receivable and other receivables and investments. The main components of the allowance account consist of a specific loss component related to individual significant exposures and a portfolio loss component established for losses incurred but not yet identified for similar groups of assets. The portfolio loss allowance account is determined based on historical payment statistics for similar financial assets.

(2) Investment

The credit risk of bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Company's finance department. The Corporation's counterparties and performance counterparties are creditworthy banks, financial institutions with investment grade or above, and corporate organizations, and there is no significant doubt about their performance, therefore, there is no significant credit risk.

4. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

Bank loans are an important source of liquidity for the Company. As of December 31, 2022 and 2021, the Company had unutilized banking facilities as described in Notes VI (12) and (VI)(13).

5. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, or the price of equity instruments, may affect the Company's earnings or the value of financial instruments held by the Company. The objective of market risk management is to manage market risk within a tolerable level and to optimize investment returns.

(1) Exchange rate risk

The Company is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the functional currency of the respective group companies. The principal currencies in which these transactions are denominated are U.S. dollars and Renminbi.

(2) Interest rate risk

The Company borrows funds at both fixed and floating interest rates, of which floating rate loans give rise to cash flow risk.

(23) Capital Management

The Company's policy is to maintain a sound capital base to sustain the confidence of investors, creditors and the market and to support future operations. Capital consists of the Company's share capital, capital surplus and retained earnings.

The Company monitors its capital structure by regularly reviewing its gearing ratio and management uses an appropriate total debt/equity ratio to determine the optimal capital for the Company. Shareholder compensation is enhanced by optimizing the balance of liabilities and equity while maintaining a sound capital base.

The Company's liabilities as a percentage of equity for the years ended December 31, 2022 and 2021 were as follows:

	2022.12.31	**2021.12.31**
Total liabilities	$372,740	1,342,419
Total equity	1,193,466	1,176,018
Debt-to-equity ratio	31%	114%

(24) Investment and fund-raising activities for non-cash transactions

The Company's investment and fundraising activities in non-cash transactions for the years ended December 31, 2022 and 2021 were as follows:

1. Please refer to Notes VI (9) for the assets acquired by lease.
2. The reconciliation of liabilities from financing activities is as follows:

			Change in non-cash		
	2022.1.1	**Cash Flow**	**Add**	**Exchange rate changes**	**2022.12.31**
Short-term borrowings	$789,000	(689,000)	-	-	100,000
Long-term loans (including the portion due within one year)	346,000	(265,600)	-	-	80,400
Guarantee deposits received	5,146	(569)	-	-	4,577
Leasing Liabilities	10,734	(7,800)	203	-	3,137
Total liabilities from financing activities	**$1,150,880**	**(962,969)**	**203**	**-**	**188,114**

			Change in non-cash		
	2021.1.1	**Cash Flow**	**Changes in Lease Payments**	**Exchange rate changes**	**2021.12.31**
Short-term borrowings	$34,591	754,409	-	-	789,000
Long-term loans (including the portion due within one year)	561,600	(215,600)	-	-	346,000

Guarantee deposits received	2,156	2,990	-	-	5,146
Leasing Liabilities	18,706	(7,972)	-	-	10,734
Total liabilities from financing activities	**$617,053**	**533,827**	**-**	**-**	**1,150,880**

VII. Related party transactions

(1) Name and relationship of related parties

The Company's subsidiaries and other related parties with whom the Company had transactions during the period covered by these the Parent Company Only Financial Statements are as follows:

Name of Related Party	Relationship with the Consolidated Company
CHANG-HO TEXTILE CO., LTD(CHT)	The Chairman of the Board is the same as the Chairman of the Company
NOA GROUP CORP.(NOA)	ditto
Elastic Glory International Ltd. (EGIL)	ditto
Fu-Chang Construction Co. (FCC)	Subsidiaries of the Company
Chang-ho Fibre (Shaoxing) Co. (SX)	Subsidiaries of the Company
Holy Finance Group Limited (HFGL)	Subsidiaries of the Company

(2) Significant transactions with related parties

1. Operating income

The significant sales to related parties were as follows:

	Year 2022	Year 2021
Subsidiary-SX	$73,478	91,215
Other related party	6,318	9,060
	$79,796	**100,275**

The Company's sales prices to related parties are not comparable to those of other customers, except for its subsidiaries, for which the terms of collection are six months, and the terms of collection are 30 to 60 days per month.

2. Purchase

The Company's purchases from related parties were as follows:

	Year 2022	Year 2021
Subsidiary-SX	$-	2,401
Other related party - CHT	140,713	83,441
	$140,713	**85,842**

There are no comparable prices for the Company's purchases from related parties, and the payment period is 60 days from month to month.

3. Accounts receivable items from related parties

The breakdown of the amounts due from related parties is as follows:

Account Items	Type of Related Party	2022.12.31	2021.12.31
Accounts receivable	Subsidiaries-SX	$36,332	16,059
ditto	Other related parties-NOA	356	594
Allowance for doubtful accounts		(2)	(3)
Other receivables - related parties	Other related parties	-	4,212
Other receivables - related parties	Subsidiaries	52	-
		$36,738	20,862

4. Accounts payable items to related parties

The breakdown of the amounts due to related parties is as follows:

Account Items	Type of Related Party	2022.12.31	2021.12.31
Accounts payable	Subsidiaries-SX	$-	3,025
ditto	Other related parties - CHT	12,422	26,175
Notes Payable	Other related parties - CHT	31,027	-
Other payables - related parties	Subsidiaries-SX	5,812	5,812
ditto	Subsidiaries	-	270
		$49,261	35,282

5. Disbursement of funds to related parties

The actual expenditures of the Company's funds to related parties are as follows:

	2022.12.31	2021.12.31
Subsidiary-FCC	$10,000	330,000
Subsidiary-SX	22,112	-
	$32,112	330,000

	Interest income	
	Year 2022	Year 2021
Subsidiary-FCC	$4,897	2,702

The interest rate of the Company's capital loans to related parties is 0~2.4% per annum, which is an unsecured loan and is not subject to impairment loss after evaluation.

6. Endorsement and Guarantee

For the years ended December 31, 2022 and 2021, the Company provided endorsement guarantees to its subsidiaries for banking facilities, and the balances of the endorsement guarantees were $460,650 and $615,200, respectively, and the amounts drawn down were $35,163 and $263,583, respectively.

7. Leasing - Rental Assets

The rental income generated from the leasing of office buildings to related parties was as follows:

	Year 2022	Year 2021
Subsidiaries	$24	16
Other related parties	1,368	1,368
	$1,392	1,384

(III) Major management transactions

Key management compensation includes:

	Year 2022	Year 2021
Short-term Employee Benefits	$5,146	5,406
Post-employment benefits	137	137
	$5,283	5,543

VIII. Pledged assets

The carrying values of the assets pledged as collateral are as follows:

Asset Name	Subject of pledge	2022.12.31	2021.12.31
Restricted bank deposits (recorded as other financial assets - current)	Performance Guarantee	$1,354	361,185
Net property, plant and equipment	Long-term and short-term borrowings and guarantees	307,137	318,951
Net investment property	Long-term and short-term borrowings and guarantees	213,445	204,806
		$521,936	884,942

IX. Material contingent liabilities and unrecognized contractual commitments

The Company's unrecognized contractual commitments are as follows:

(a) Outstanding Unused Letter of Credit:

2022.12.31	2021.12.31
$18,115	50,203

(b) The commitments related to the total contract price of development projects in which the Company has participated and have been signed but not yet recognized are as follows:

	2022.12.31	2021.12.31
Total Contract Price	$19,199	-
Amount paid under contract (recorded as other non-current assets)	$14,753	-

X. Major disaster losses: None.

XI. Significant post-period events: None.

XII. Others

(a) The employee benefits, depreciation and amortization expense functions are summarized as follows:

Function / Nature	Year 2022			Year 2021		
	Operating Costs	Operating Expense	Total	Operating Costs	Operating Expense	Total
Employee Benefit Costs						
Salary and Fees	4,991	25,276	30,267	4,454	26,231	30,685
Labor and Health Insurance Costs	483	2,503	2,986	391	2,455	2,846
Pension Costs	89	1,338	1,427	79	1,369	1,448
Directors' remuneration	-	711	711	-	585	585
Other employee benefit costs	406	1,853	2,259	390	1,519	1,909
Depreciation expense	3,736	9,472	13,208	3,269	9,986	13,255
Amortization expense	-	-	-	-	71	71

Additional information on the number of employees and employee benefit expenses for the years ended December 31, 2022 and 2021 is as follows:

	Year 2022	Year 2021
Number of employees	55	53
Number of directors who are not also employees	4	3
Average Employee Benefit Costs	$724	738
Average Employee Salary Costs	$593	614
Adjustments to average employee salary costs	(3.42) %	
Director/Supervisor’s remuneration	$-	-

Information on the Company's compensation policy (including directors, managers and employees) is as follows:

The salaries of directors and employees are determined by the Compensation Committee in accordance with the Company's Articles of Incorporation and are paid after the resolution of the Board of Directors and the report of the shareholders' meeting. The salaries of managers and employees are determined in accordance with the job content, education and expertise of the employees, and are subject to salary adjustments or bonuses based on the Company's operating conditions and employee performance.

XIII. Other Disclosures

(1) Information on significant transactions

1. Financings Provided:

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 2)	Ending Balance (Foreign Currencies in Thousands) (Note 2)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 1)
													Item	Value		
0	Chang-ho	FCC	Other receivables from related parties	Yes	400,000	240,000	10,000	1.8%~2.4%	Short-term financing	-	Operating capital	-	-	-	477,386	477,386
0	Chang-ho	SX	Other receivables from related parties	Yes	22,112	22,112	22,112	-%	Business transactions	73,478	-	-	-	-	73,478	477,386

Note : According to the Company's "Procedures for Lending Funds to Others," the total amount of funds to be lent shall not exceed 40% of the Company's net worth, and for companies with business transactions, the amount of individual loans shall not exceed the amount of business transactions between the two parties for the most recent year. For companies with short-term financing, the amount of individual loans shall not exceed 20% of the Company's net worth (revised to 40% after the shareholders' meeting held on July 15, 2021).

2. Endorsement/Guarantees Provided:

Unit: Foreign currency thousand

No.	Endorsement/ Guarantee Provider	Name	Nature of Relationship	Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1 and 2)	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Amount Actually Drawn (US$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 1 and 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
0	Chang-ho	SX	Subsidiary	716,079	483,225 (USD15,000)	460,650 (USD15,000)	35,162 (USD1,145)	460,650 (USD15,000)	38.60%	954,772	Y	N	Y

Note 1: According to the Company's "Procedures for Endorsement and Guarantee", the total amount of endorsement and guarantee that the Company and its subsidiaries may provide to a single enterprise shall not exceed 80% of the Company's net worth; the maximum endorsement and guarantee provided by the Company and its subsidiaries to a single enterprise shall be 40% of the Company's net worth (revised to 60% after the shareholders' meeting held on July 15, 2021).

Note 2: For those who are listed parent companies endorsing and guaranteeing their subsidiaries, those who are subsidiaries endorsing and guaranteeing their listed parent companies, and those who are endorsing and guaranteeing the mainland China, enter Y.

Note 3: Translated into New Taiwan dollars using the exchange rate as of the date of the financial report.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises and joint venture interests):

Unit: NT$1,000/thousand shares

				2022/12/31				
Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Shares/Units Note (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	Note
Chang-ho	Non-publicly traded equity investments - NOA	The Chairman of the company is same person as Chang-ho Co.	Financial assets at fair value through other comprehensive income - Non current	580	40,523	19.33%	40,523	

4. Accumulated purchase or sale of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None.

5. Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of immovable property amounting to at least NT$300 million or 20% of the paid-in capital: None.

7. If the amount of purchase or sale with related parties reaches NT$100 million or 20% of the paid-in capital or more:

Unit: NT$1,000

			Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		
Company Name	Related Party	Nature of Relationships	Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Note
Chang-ho	NOA	The Chairman of the company is same person as Chang-ho Co.	Purchases	140,713	26%	Net 60 days from the end of the month of when invoice is issued	No significant difference with general customers	No significant difference	43,449	63%	

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9. Engaged in derivative transactions:

Please refer to Notes VI (2).

(2) Information on investees:

Information on the Company's investees for 2022 is as follows: (excluding the mainland China investees):

Unit: NT$1,000

				Original Investment Amount		Balance as of December 31, 2022					
Investor Company	Investee Company	Location	Main Businesses and Products	2022/12/31	2021/12/31	Shares (In Thousands)	Percentage of Ownership	Carrying Value (Foreign Currencies in Thousands)	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
Chang-ho	HFGL	British Virgin Islands	International trade and investment business	667,200	667,200	19,900	83.26%	125,025	(7,249)	(6,035)	Subsidiary
Chang-ho	FCC	Taipei	Development and leasing of residential and commercial properties	30,000	10,000	3,000	100%	11,427	(14,901)	(14,901)	Subsudiary
Chang-ho	SAMPSON TECHNOLOGY CORP.	Taipei	Manufacturing and sales of various types of adhesive tapes	20,000	20,000	2,000	40%	13,592	(155)	(62)	Associate
Chang-ho	JUT CHONG HONG CO.	Taipei	Development and leasing of residential and commercial properties	7,143	57,140	714	28.57%	8,200	(2,550)	(729)	Associate

(3) Mainland Investment Information:

1. Name of the investee company in China, primary business items and other related information:

Unit: NT$1,000

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of Balance as of December 31, 2022 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022
SX	Manufacturing and sales of various types of fibers and fabrics	795,850	(Note 1)	665,870	-	-	665,870	(7,189)	83.26%	(5,986)	140,816	-

2. Transfer of investment to Mainland China limit:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Upper Limit on Investment
665,870 (US$19,860 in Thousands)	611,129 (US$19,900in Thousands)	716,079

Note 1: The company was established through third-party investment and reinvested in a mainland company.
Note 2: Investment income is recognized based on the investee's audited financial statements.
Note 3: Translated into New Taiwan dollars using the exchange rate as of the end of the financial reporting period.

3. Significant transactions:

Please refer to "Information on Significant Transactions" and "Business Relationships and Significant Transactions between Subsidiaries and Parents" for details of significant direct or indirect transactions between the Company and its investees in China in 2022 (eliminated in the consolidated financial statements).

(4) Information on major shareholders

Shareholders (Note)	Shares	
	Total Shares Owned	Ownership Percentage
Ming-Tse Chen	18,344,580	11.43%
CONCORD BUSINESS DEVELOPMENT CONSULTANT CO., LTD.	17,762,797	11.07%
Xiangtaixing Investment Co., Ltd.	15,583,776	9.71%
Shangfenglong Investment Co., Ltd.	14,439,485	9.00%
Hefenglong Investment Co., Ltd.	13,629,708	8.49%
RIGHTEX INTERNATIONAL CORP.	12,207,734	7.61%
Yu-Chun Li	10,126,969	6.31%
Zhen-Yi Chen	9,354,062	5.83%
Jie-Yu Chen	9,318,494	5.80%
Yao-Xiang Chen	8,933,127	5.56%
ARTITEX TECHNICAL CORP.	8,846,496	5.51%

Note: (1) The information on major shareholders in this table is based on the last business day of each quarter and is calculated based on the total number of common and preferred shares held by shareholders of the Company that have been delivered without physical registration (including treasury shares) of at least 5%. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending based on computation.

(2) The above information is revealed by the trustee's opening of a trust account with individual subaccounts of the principal if the shareholding is delivered to the trust by the shareholder. As for the shareholder's shareholding of more than 10% of insider shares reported in accordance with the Securities and Exchange Act, the shareholding includes his own shares plus the shares delivered to the trust and has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider shareholding reporting.

XIV. Departmental Information

Please refer to the consolidated financial statements for the year ended December 31, 2022.

Chang-ho Fibre Corporation

Statement of Cash and Cash Equivalents

December 31, 2021 **Unit: NT$1,000**

Item	Summary	Amount
Petty cash and cash on hand		$202
Checks and demand deposits	Cheque Deposit	934
	Demand Deposit	15,284
	Foreign currency deposits (USD 908 thousand, JPY 5 thousand and HKD 6 thousand)	27,909
		44,127
Time Deposit	USD Time Deposit (USD 1,880 thousand)	58,518
		$102,847

Note: Foreign currency exchange rates at the balance sheet date were as follows:

USD: 30.71

JPY: 0.2324

HKD: 3.938

Chang-ho Fibre Corporation

Statement of Notes and accounts receivable

December 31, 2021

Customer Name	Summary	Amount
Accounts receivable:		
Army Logistics Command	Operating income from non-affiliated parties	$9,144
SALIM&BROTHERS Limited	ditto	9,060
INVISTA TEXTILES (U.K.) Limited	ditto	7,179
I-Mar International	ditto	3,939
Other (Note)	ditto	2,514
Subtotal		31,836
Less: Allowance for doubtful accounts		(28)
Total		**$31,808**

Note: The balance of each item does not exceed 5% of the amount in this account and is not shown separately.

Chang-ho Fibre Corporation

Statement of Inventory

December 31, 2021 **Unit: NT$1,000**

Item	Amount	
	Book Value	Net realizable value
Raw Materials	$197,738	265,062
Work in process	1,039	1,039
Finished goods	161,440	169,836
Total	**$360,217**	**435,937**

Chang-ho Fibre Corporation

Statement of changes in investments accounted for using the equity method

December 31, 2022 **Unit: NT$1,000, Shares in Thousands**

Name	Balance, 2022/01/01		Additions in investment		Decrease in investment		Increase (Decrease) in Using the Equity Method	Balance, 2022/12/31			Market Value or Net Assets Value	Collateral	Remark
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount			
HFGL	19,900	$125,609	-	6,663	-	1,212	(6,035)	19,900	83.26%	125,025	133,818	None	(Note 1)
JUT CHONG HONG CO.	5,714	76,665	-	-	5,000	67,736	(729)	714	28.57%	8,200	8,200	ditto	(Note 2)
SAMPSON TECHNOLOGY CORP.	2,000	13,654	-	-	-	-	(62)	2,000	40.00%	13,592	13,592	ditto	
FCC	1,000	6,328	2,000	20,000	-	-	(14,901)	3,000	100.00%	11,427	11,427	ditto	(Note 3)
		$222,256		26,663		68,948	(21,727)			158,244	167,037		

Note 1: The increase in the current period includes an interest exemption of $4,676 thousand for ELASTIC and a foreign exchange adjustment of $1,987 thousand. The decrease includes an equity method recognition of subsidiary's equity changes of $782 thousand and an adjustment of unrealized gross profit on sales and gains on disposal of fixed assets from previous years of $430 thousand.

Note 2: The decrease in the current period includes cash dividends paid by JUT CHONG HONG CO. of $17,739 thousand and capital reduction with return of capital of $49,997 thousand.

Note 3: The increase in the current period includes a cash capital increase of $20,000 thousand for FCC.

Chang-ho Fibre Corporation

Statement of changes in property, plant and equipment

Please refer to Notes VI (8).

Statement of investment property

Please refer to Notes VI (10).

Chang-ho Fibre Corporation

Statement of Notes Payable and Accounts Payable

December 31, 2022 **Unit: NT$1,000**

Item	Summary	Amount
Notes Payable:		
Vendor A	Operating expenses of non-affiliated parties	$1,624
Vendor B	ditto	781
Vendor C	ditto	612
Vendor D	ditto	552
Vendor E	ditto	445
Other (Note)	ditto	4,060
		8,074
Accounts payable:		
Vendor F	Operating expenses of non-affiliated parties	12,964
Vendor G	ditto	2,065
Vendor H	ditto	1,575
Other (Note)	ditto	4,441
Subtotal	ditto	21,045
Total		**$29,119**

Note: The balance of each account does not exceed 5% of the amount in this account and is not shown separately.

Chang-ho Fibre Corporation

Statement of short-term borrowings

December 31, 2022 **Unit: NT$1,000**

Types of Borrowing	Description	End of term balance	Contract Period	Interest Rate	Financing Limit	Collateral or guarantee	Note
Guaranteed Loans	HNCB	$100,000	2022.12.21~2023.1.19	1.945%	230,000	Taipei Office Land and Building	
ditto	HNCB	-	-	-	100,000	Land and buildings of Nankan factory	
ditto	SKBANK	-	-	-	400,000	Land and buildings of Nankan factory	
ditto	ESUN	-	-	-	1,000	None	
ditto	CTBC	-	-	-	300,000	ditto	
		$100,000			1,031,000		

Chang-ho Fibre Corporation

Statement of Long-term Loans

December 31, 2022

Creditors	Financing Limit	Contract Period	Interest Rate	Collateral or guarantee	Amount: Within one year Expired portion	Amount: More than one year Expired portion
HNCB	$190,000	2022.05.19~2024.05.19	-	Taipei Office Land and Building	$-	-
SKBank	420,000	2020.11.20~2027.11.20	1.7918%	Land and buildings of Nankan Factory	15,600	64,800
ditto	300,000	2021.09.08~2024.09.08	-	Land and buildings of Nankan Factory	-	-
	$910,000				$15,600	64,800

Chang-ho Fibre Corporation

Statement of Operating Revenue

December 31, 2022 **Unit: NT$1,000**

Item	Quantity	Amount
Sales revenue:		
Garment cloth	1,509 thousand yards	$232,356
Air-twister yarn	1,945 thousand kilograms	374,247
Other		85,110
Less: Sales returns		4,851
Sales discounts		540
Net operating revenue		**$686,322**

Chang-ho Fibre Corporation

Statement of Operating cost

December 31, 2022 **Unit: NT$1,000**

Item	Amount
Raw materials	
Balance, beginning of year	$252,279
Add: Raw materials purchased	390,001
Less: Raw materials, end of year	(271,148)
Sale of raw materials	(368,711)
Other	(823)
Raw materials used	1,598
Direct labor	6,149
Manufacturing expenses	43,811
Total Manufacturing Costs	51,558
Add: Work in process, beginning of year	5,510
Less: Work in process, end of year	(1,039)
Cost of finished goods	56,029
Add: Finished goods, beginning of year	351,427
Finished goods purchased	148,890
Less: Finished goods, end of year	(331,333)
Finished goods s for other applications	(5,872)
Cost of finished goods sold	219,141
Cost of raw materials sold	368,711
LCM	78,371
Scraps	(542)
Total operating Costs	**$665,681**

Chang-ho Fibre Corporation

Statement of Operating expense

December 31, 2022 **Unit: NT$1,000**

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses
Payroll and related expense	$9,216	18,109	-
Shipping Fee	6,423	7	7
Commissions	2,599	-	-
Depreciation	-	9,471	1
Sample	695	-	972
Others (Note)	6,703	11,759	1
Total	**$25,636**	**39,346**	**981**

Note: The balance of each item does not exceed 5% of the amount in this account and is not shown separately.