Stock Code: 2024

CHIH LIEN INDUSTRIAL CO., LTD.

Financial Statements with Independent Auditor's Report For the Years Ended December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors and Shareholders of CHIH LIEN INDUSTRIAL CO., LTD.

Audit Opinion

We have audited the accompanying consolidated balance sheets of CHIH LIEN INDUSTRIAL CO., LTD. as of December 31, 2022 and 2021, and the related comprehensive income statements, statement of changes in shareholders' equity, cash flow statements, and notes to the parent company only financial statements (including significant accounting policies) for the years then ended.

In our opinion, with the parent company only financial statements referred to above present fairly, in all material respects, the consolidated financial position of CHIH LIEN INDUSTRIAL CO., LTD. as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years ended December 31 2022 and 2021, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission

The basis for opinion

We concluded our audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the parent company only financial statements. We are independent of CHIH LIEN INDUSTRIAL CO., LTD. in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent auditors, we believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2022 parent company only financial statements of CHIH LIEN INDUSTRIAL CO., LTD. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters. The key audit matters that, in our opinion, should be communicated in the audit report are as follows:

I. Revenue recognition

Please refer to Notes 4(11) and 6(13) to the parent company only financial statements for disclosures related to revenue recognition.

Description of key audit matters:

CHIH LIEN INDUSTRIAL CO., LTD. is mainly engaged in the manufacturing, processing and trading of steel wire and steel bars. Sales revenue is a key indicator for users of financial reports to evaluate the financial or business performance of CHIH LIEN INDUSTRIAL CO., LTD., and is one of the indicators for measuring the performance of management. The assumptions or judgments used to measure and recognize revenue rely on management's subjective judgment, so revenue recognition is a key audit matter.

The corresponding audit procedures:

Our audit procedures included examining the effectiveness of the design and implementation of internal control over sales revenue recognition, evaluating CHIH LIEN INDUSTRIAL CO., LTD.'s revenue recognition process, reviewing the terms of the related customer sales contracts, and assessing whether or not CHIH LIEN INDUSTRIAL CO., LTD.'s revenue recognition policies were in accordance with the relevant accounting standards. In addition, we conducted a trend analysis on the top ten customers or customers with sales amounting to more than 5% of the operating revenue and the revenue of each product category of CHIH LIEN INDUSTRIAL CO., LTD. to assess whether or not there were any significant abnormalities. For the new sales customers that were related parties and the new top ten sales customers during the period, the contract terms and transactions before and after the balance sheet date were reviewed to assess whether or not there were any significant anomalies; in addition, the sales revenue transactions were tested to assess whether or not the sales revenue covered the appropriate period.

II. Subsequent measurement of inventories

Please refer to Notes 4(7), 5 and 6(4) to the financial statements for disclosures related to subsequent measurement of inventories.

Description of key audit matters:

The inventories of CHIH LIEN INDUSTRIAL CO., LTD. consist of various types of steel wires and steel bars. Inventories are measured at the lower cost or net realizable value. Since the prices of CHIH LIEN INDUSTRIAL CO., LTD.'s major raw materials fluctuate widely, inventories may not reflect market changes in a timely manner, resulting in the cost of inventories exceeding their net realizable value. Therefore, the subsequent measurement of inventories is a key audit matter.

The corresponding audit procedures:

Our audit procedures included obtaining an inventory valuation calculation to understand the reasonableness of management's accounting policies for inventory measurement; reviewing the inventory aging statement and analyzing changes in inventory aging; obtaining a schedule of inventory measurement and evaluating the reasonableness of the net realizable value basis used by management; and selecting a sample to obtain relevant certificates to assess whether or not inventories are measured at the lower of cost or net realizable value.

III. Related party transactions

Please refer to Note 7 to the financial statements for the related disclosures of related party transactions.

Description of key audit matters:

The transactions between CHIH LIEN INDUSTRIAL CO., LTD. and related parties are mainly related to processing revenue. Whether or not the related party transactions were managed in accordance with relevant regulations, and whether or not the prices and terms of transactions were not significantly different from those of ordinary customers or vendors, and whether or not they were properly disclosed.

The corresponding audit procedures:

Our audit procedures included understanding and testing the effectiveness of the design and implementation of internal control systems for related party transactions; obtaining a schedule of related party transactions to confirm the completeness of the information; reviewing the gross profit analysis and transaction terms of related party transactions to confirm that the transaction prices and payment terms were not significantly different from those of ordinary customers or vendors; reviewing the aging analysis of accounts receivable from related parties to ensure that there were no overdue payments; and reviewing whether or not the related transactions were properly disclosed.

Responsibilities of Management and Those in Charge with Governance of the Parent Company Only Financial Statements

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

In preparing the parent company only financial statements, the management is also responsible for assessing the ability of CHIH LIEN INDUSTRIAL CO., LTD. as a going concern, disclosing as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate CHIH LIEN INDUSTRIAL CO., LTD. or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of CHIH LIEN INDUSTRIAL CO., LTD.

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

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

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of 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. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in CHIH LIEN INDUSTRIAL CO., LTD.
3. Evaluated the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by management.
4. Concluded the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CHIH LIEN INDUSTRIAL CO., LTD. to continue as a going concern. If we concluded that a material uncertainty exists, we were required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions were based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause CHIH LIEN INDUSTRIAL CO., LTD. to cease as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only statements, including related notes, whether the parent company only statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those in charge of governance, we determined those matters that were of most significance in the audit of the 2022 parent company only financial statements of CHIH LIEN INDUSTRIAL CO., LTD. and are therefore the key audit matters. We described 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 communications.

KPMG

CPAs: Po-Shu Huang

Chung-Shun Wu

Approval letter for attestation issued by the competent securities authority：Tai-Cai-Zheng-Liu-Zi No. 0920122026

Jin-Guan-Zheng-Shen-Zi No. 1090332798

February 23, 2023

CHIH LIEN INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2022 and 2021

Unit: Thousands of NTD

	Assets	2022.12.31 Amount	%	2021.12.31 Amount	%
11xx	**Current assets**				
1100	Cash and cash equivalents (Note 6(1))	$ 88,763	4	127,876	7
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	975	-	1,008	-
1137	Financial assets at amortized cost - current (Notes 6(2) and 8)	60,899	3	48,281	2
1150	Notes receivable (Notes 6(3), (13) and 8)	43,080	2	58,432	3
1160	Notes receivable - related parties (Notes 6(3), (13), 7 and 8)	2,938	-	6,002	-
1170	Accounts receivable, net (Notes 6(3) and (13))	144,624	6	166,157	8
1180	Accounts receivable - related parties (Notes 6(3), (13) and 7)	1,453	-	5,697	-
1200	Other receivables	214	-	539	-
130x	Inventories (Note 6(4))	789,337	36	475,225	24
1479	Prepayments and other current assets	18,786	1	15,886	1
	Total current assets	1,151,069	52	905,103	45
15xx	**Non-current assets:**				
1600	Property, plant and equipment (Notes 6(5) and 8)	1,040,192	47	1,084,743	55
1755	Right-of-use assets (Note 6(6))	2,434	-	3,904	-
1840	Deferred income tax assets (Note 6(10))	4,443	-	4,672	-
1915	Prepayments for equipment	12,471	1	5,267	-
1990	Other non-current assets:	3,380	-	3,460	-
	Total non-current assets	1,062,920	48	1,102,046	55
1xxx	**Total assets**	$ 2,213,989	100	2,007,149	100

	Liabilities and Equity	2022.12.31 Amount	%	2021.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term loans (Notes 6(3), (7) and 8)	$ 722,328	33	313,329	15
2110	Short-term bills payable (Notes 6(7) and 8)	29,978	1	59,938	3
2320	Long-term loans due within one year (Notes 6(7) and 8)	47,940	2	51,714	3
2150	Notes payable	63	-	20,857	1
2160	Notes payable - related parties (Note 7)	-	-	22	-
2171	Accounts payable	106,819	5	158,004	8
2180	Accounts payable - related parties (Note 7)	96	-	34	-
2219	Other payables (Note 6(14))	47,148	2	50,725	3
2230	Current income tax liabilities	11,575	1	34,045	2
2281	Lease liabilities - current (Note 6(8))	1,825	-	2,388	-
2399	Other current liabilities	6,409	-	6,894	-
	Total current liabilities	974,181	44	697,950	35
25xx	**Non-current liabilities:**				
2540	Long-term loans (Notes 6(7) and 8)	47,917	2	45,857	2
2581	Lease liabilities - non-current (Note 6(8))	619	-	1,579	-
2640	Net defined benefit liabilities (Note 6(9))	1,710	-	10,773	1
	Total non-current liabilities	50,246	2	58,209	3
2xxx	**Total liabilities**	1,024,427	46	756,159	38
31xx	**Equity (Note 6(11)):**				
3100	Capital stock	975,000	44	975,000	49
3200	Capital surplus	10,530	1	10,502	1
3300	Retained earnings:				
3310	Legal reserve	63,042	3	49,171	2
3350	Undistributed earnings	140,990	6	216,317	10
		204,032	9	265,488	12
3xxx	**Total equity**	1,189,562	54	1,250,990	62
2-3xxx	**Total liabilities and liabilities**	$ 2,213,989	100	2,007,149	100

(Please refer to the attached notes to the financial statements)

Chairperson: Chung-Liang Pan **Managerial Officer: Chen-Wang Hsieh** **Accounting Officer: Ming-Yuan Chiu**

CHIH LIEN INDUSTRIAL CO., LTD.

Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: Thousands of NTD

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(13) and 7)**	$ 1,168,598	100	1,526,451	100
5000	**Operating costs (Notes 6(4), (5), (9), (14) and 7)**	1,032,615	89	1,263,203	83
5900	**Operating gross profit**	135,983	11	263,248	17
6000	**Operating expenses (Notes 6(3), (5), (6), (9), (14) and 7):**				
6100	Selling expenses	38,486	3	45,422	3
6200	Administrative expenses	34,678	3	35,531	2
6450	Expected credit impairment loss (reversal gain)	58	-	(139)	-
	Total operating expenses	73,222	6	80,814	5
6900	**Net operating profit**	62,761	5	182,434	12
7000	**Non-operating income and expense (Notes 6(8) and (15))**				
7100	Interest income	483	-	215	-
7010	Other income	1,007	-	2,157	-
7020	Other gain or loss	8,410	1	1,099	-
7050	Financial costs	(13,635)	(1)	(7,071)	-
	Total non-operating income and expense	(3,735)	-	(3,600)	-
	Net profit before tax from continuing operations	59,026	5	178,834	12
7950	**Less: Income tax expense (Note 6(10))**	11,807	1	35,485	3
	Net profit for the period	47,219	4	143,349	9
8300	**Other comprehensive income (Note 6(9))**				
8310	**Items not reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	8,325	1	(4,640)	-
8349	Less: Income taxes related to items not reclassified	-	-	-	-
	Total items not reclassified to profit or loss	8,325	1	(4,640)	-
8300	**Other comprehensive income for the period**	8,325	1	(4,640)	-
	Total comprehensive income for the period	**$ 55,544**	**5**	**138,709**	**9**
9750	**Basic earnings per share (Unit: NTD) (Note 6(12))**	**$**	**0.48**		**1.47**
9850	**Diluted earnings per share (Unit: NTD) (Note 6(12))**	**$**	**0.48**		**1.47**

(Please refer to the attached notes to the financial statements)

Chairperson: Chung-Liang Pan   Managerial Officer: Chen-Wang Hsieh   Accounting Officer: Ming-Yuan Chiu

CHIH LIEN INDUSTRIAL CO., LTD.

Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: Thousands of NTD

	Common stock capital	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Undistributed earnings	Retained earnings: Total	Total equity
Balance as of January 1, 2021	$ 975,000	10,438	46,393	104,761	151,154	1,136,592
Earnings appropriation and distribution:						
Provision for legal reserve	-	-	2,778	(2,778)	-	-
Cash dividends on common stock	-	-	-	(24,375)	(24,375)	(24,375)
Changes in other capital surplus	-	64	-	-	-	64
Net profit for the period	-	-	-	143,349	143,349	143,349
Other comprehensive income for the period	-	-	-	(4,640)	(4,640)	(4,640)
Total comprehensive income for the period	-	-	-	138,709	138,709	138,709
Balance as of December 31, 2021	975,000	10,502	49,171	216,317	265,488	1,250,990
Earnings appropriation and distribution:						
Provision for legal reserve	-	-	13,871	(13,871)	-	-
Cash dividends on common stock	-	-	-	(117,000)	(117,000)	(117,000)
Changes in other capital surplus	-	28	-	-	-	28
Net profit for the period	-	-	-	47,219	47,219	47,219
Other comprehensive income for the period	-	-	-	8,325	8,325	8,325
Total comprehensive income for the period	-	-	-	55,544	55,544	55,544
Balance as of December 31, 2022	**$ 975,000**	**10,530**	**63,042**	**140,990**	**204,032**	**1,189,562**

(Please refer to the attached notes to the financial statements)

Chairperson: Chung-Liang Pan **Managerial Officer: Chen-Wang Hsieh** **Accounting Officer: Ming-Yuan Chiu**

CHIH LIEN INDUSTRIAL CO., LTD.

Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: Thousands of NTD

	2022	2021
Cash flows from operating activities:		
Net profit before tax for the period	$ 59,026	178,834
Adjustments:		
Income and expense items		
Depreciation expense	71,385	71,501
Amortization expense	351	305
Expected credit impairment loss (reversal gain)	58	(139)
Interest expense	13,635	7,071
Interest income	(483)	(215)
Dividends income	-	(84)
Total income and expense items	84,946	78,439
Changes in assets/liabilities related to operating activities.		
Net changes in assets related to operating activities.		
Financial assets mandatorily measured at fair value through profit or loss	33	7,186
Notes receivable	15,352	(8,703)
Notes receivable - related parties	3,064	1,050
Accounts receivable (including long-term receivables)	21,475	40,453
Accounts receivable - related parties	4,244	(2,595)
Other receivables	325	1,244
Inventories	(314,112)	(154,268)
Prepayments and other current assets	(2,900)	(12,544)
Total net changes in assets related to operating activities.	(272,519)	(128,177)
Net changes in liabilities related to operating activities.		
Notes payable	(20,794)	6,630
Notes payable - related parties	(22)	22
Accounts payable	(51,185)	59,518
Accounts payable - related parties	62	34
Other payables	(3,979)	16,107
Other current liabilities	(485)	(1,489)
Net defined benefit liabilities	(738)	(365)
Total net changes in liabilities related to operating activities.	(77,141)	80,457
Total net changes in assets and liabilities related to operating activities.	(349,660)	(47,720)
Total adjustments	(264,714)	30,719
Cash (outflows) inflows from operations	(205,688)	209,553
Interests received	483	215
Dividends received	-	84
Interests paid	(13,378)	(7,009)
Income tax refunds (paid)	(34,048)	4,096
Net cash (outflows) inflows from operating activities	(252,631)	206,939
Cash flows from investing activities:		
Increase in financial assets at amortized cost	(12,618)	(1,791)
Acquisition of property, plant and equipment	(21,094)	(36,465)
Increase in other non-current assets:	(271)	(1,100)
Increase in prepayments for equipment	(10,289)	(5,267)
Net cash outflows from investing activities	(44,272)	(44,623)
Cash flows from financing activities:		
Increase in short-term loans	2,025,380	505,464
Decrease in short-term loans	(1,617,086)	(547,319)
Decrease in short-term bills payable	(30,000)	-
Borrowing of long-term loans	50,000	-
Repayment of long-term loans	(51,714)	(101,214)
Repayment of lease principals	(2,523)	(2,353)
Distribution of cash dividends	(117,000)	(24,375)
Overdue unpaid dividends	28	64
Net cash inflows (outflows) from financing activities	257,085	(169,733)
Effect of changes in exchange rate on cash and cash equivalents	705	(1,326)
Decrease in cash and cash equivalents for the period	(39,113)	(8,743)
Cash and cash equivalents at the beginning of the period	127,876	136,619
Cash and cash equivalents at the end of the period	$ 88,763	127,876

(Please refer to the attached notes to the financial statements)

Chairperson: Chung-Liang Pan **Managerial Officer: Chen-Wang Hsieh** **Accounting Officer: Ming-Yuan Chiu**

CHIH LIEN INDUSTRIAL CO., LTD.
Notes to the Financial Statements
2022 and 2021
(All amounts are in thousands of NTD unless otherwise stated)

I. Company History

CHIH LIEN INDUSTRIAL CO., LTD. (hereinafter referred to as the Company) was established on September 3, 1973 in accordance with the provisions of the Company Act. The Company is mainly engaged in the manufacturing, processing and trading of steel wire and steel bars.

II. Date and Procedure for Approval of Financial Statements

This financial statements were approved and issued by the Board of Directors on February 23, 2023.

III. Adoption of Newly Issued and Revised Standards and Interpretation

(I) Effect of adopting the newly issued and revised standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

The Company adopted the following newly revised IFRSs effective January 1, 2022, with no material impact on financial statements

- Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"
- Amendment to IAS 37 "Onerous Contracts - Cost of Performing Contracts"
- Annual Improvements to IFRSs for the 2018-2020 Cycle
- Amendment to IFRS 3 "Update the index of the conceptual framework.”

(II) Effect of not adopting the IFRSs endorsed by the FSC

The Company assesses that the adoption of the following newly revised IFRSs, effective January 1, 2023, will not have a material impact on financial statements.

- Amendment to IAS 1 "Disclosure of Accounting Policies.”
- Amendment to IAS 8 "Definition of Accounting Estimates.”
- Amendment to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction."

(III) Newly issued and revised standards and interpretations not yet endorsed by the FSC

The standards and interpretations newly issued and revised by the IASB but not yet endorsed by the FSC that may be relevant to the Company are as follows:

Newly issued or revised standards	Major amendments	Effective date of Issuance by the IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"	Under current IAS 1, liabilities for which an enterprise does not have an unconditional right to defer settlement for at least 12 months after the reporting period should be classified as current. 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 substantial. The amendment clarifies how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (*e.g.,* convertible bonds).	January 1, 2024
Amendment to IAS 1 “Non-current liabilities with contractual terms”	After reconsidering certain aspects of the 2020 amendment to IAS 1, the new amendment clarifies that only contractual terms followed on or before the reporting date will affect the classification of a liability as current or non-current. Contractual terms (*i.e.,* future terms) to be followed by the enterprise after the reporting date do not affect the classification of the liability at that date. However, when a non-current liability is subject to future contractual terms, the enterprise is required to disclose information to help users of financial statements understand the risk that the liability may be repaid within twelve months of the reporting date	January 1, 2024

The Company is continually evaluating the impact of these standards and interpretations on the Company's financial position and results of operations, and will disclose the impact when the evaluation is complete.

The Company does not anticipate that other newly issued and revised standards that have not yet been endorsed will have a material impact on the financial statements.

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the financial statements are summarized as follows: The following accounting policies have been applied consistently to all periods presented in the financial statements:

(I) Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Preparation Regulations") and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Pronouncements (hereinafter referred to as "IFRSs") as endorsed by the FSC.

(II) Basis of Preparation

1. Basis of Measurement

   The financial statements have been prepared on the historical cost basis, except as otherwise indicated (see the accounting policies for each item).

2. Functional and presentation currencies

   The Company's functional currency is the currency of the primary economic environment in which it operates The functional currency of the Company, NTD, is used as the presentation currency for the financial statements. All financial information presented in NTD is expressed in thousands of NTD.

(III) Foreign currencies

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing on the transaction dates. At each subsequent reporting date, monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rates at the date of measurement of the fair value, while non-monetary items measured at historical cost are translated at the exchange rates at the date of the transaction.

Exchange differences arising from foreign currency translations are generally recognized in profit or loss, except for the following, which are recognized in other comprehensive income:

1. equity instruments designated as at fair value through other comprehensive income
2. financial liabilities designated as net investment hedges of foreign operations within the effective hedge range; or
3. qualifying cash flow hedges within the effective hedge range.

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

Assets that meet one of the following criteria are classified as current assets, while all other assets that are not current assets are classified as non-current assets:

1. the asset is expected to be realized in the normal course of business or is intended to be sold or consumed.
2. the asset is held primarily for trading purposes.
3. the asset is expected to be realized within twelve months of the reporting period; or
4. the asset is cash or cash equivalents, unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Labilities that meet one of the following criteria are classified as current liabilities, while all other liabilities that are not current liabilities are classified as non-current liabilities:

1. the liability is expected to be settled in the normal course of business.
2. the liability is held primarily for trading purposes.
3. the liability is expected to be settled within twelve months after the reporting period; or
4. the liability does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The terms of a liability that may be settled by the issuance of equity instruments at the option of the counterparty do not affect its classification.

(V) 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 with minimal 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.

(VI) Financial instruments

Accounts receivable are recognized when they are originally generated. All other financial assets and liabilities are recognized when the Company becomes a party to the contractual terms of the financial instruments. Financial assets (other than accounts receivable that do not contain significant financial components) or financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are measured at transaction prices.

1. Financial assets

Purchases or sales of financial assets are accounted for on a consistent basis using trade date or settlement date accounting for all purchases and sales of financial assets classified in the same manner as those of conventional transactions.

On initial recognition, financial assets are classified as financial assets at amortized cost and financial assets at fair value through profit or loss.

The Company reclassifies all affected financial assets from the first day of the next reporting period only when the Company changes its operating model for managing financial assets.

(1) Financial assets at amortized cost

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

- The financial assets are held under the operating model whose objective is to collect the contractual cash flows.
- The contractual terms of the financial assets generate cash flows on specific dates solely for the payment of principal and interest on the outstanding principal amount.

These assets are subsequently measured at their originally recognized amounts plus or minus the cumulative amortization using the effective interest method, adjusted for any allowance for loss after amortization. Interest income, foreign currency exchange gain or loss and impairment loss are recognized in profit or loss. On derecognition, the gain or loss is recognized in profit or loss.

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

Financial assets that are not measured at amortized cost as described above are measured at fair value through profit or loss. The Company intends to sell the accounts receivable immediately or in the near future at fair value through profit or loss, but they are included in accounts receivable. On initial recognition, the Company may irrevocably designate financial assets that qualify as financial assets carried at amortized cost as financial assets at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatches.

The net gain or loss (including any dividends and interest income) on these assets subsequently measured at fair value is recognized in profit or loss.

(3) Impairment of financial assets

The Company recognizes an allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, long-term receivables and refundable deposits).

The following financial assets were measured as allowance for losses based on 12-month expected credit losses and the rest were measured as expected credit losses over the period:

- the credit risk of debt securities is determined to be low at the reporting date; and
- the credit risk of other debt securities and bank deposits (i.e., the risk of default over the expected life of the financial instruments) has not increased significantly since the initial recognition.

The allowance for losses on notes receivable and accounts receivable and contract assets is measured based on the expected credit loss amount over the period.

The expected credit loss over the expected life of the financial instrument is the expected credit loss arising from all possible defaults.

Twelve-month expected credit losses are the expected credit losses arising from possible defaults within twelve months after the reporting date (or for a shorter period, if the expected duration of the instrument is shorter than twelve months).

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

In determining whether or not the credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information (available without excessive cost or input), including qualitative and quantitative information and analysis based on the Company's historical experience, credit evaluations and forward-looking information.

The Company assumes that the credit risk on financial assets has increased significantly if contractual amounts are more than 30 days overdue.

The Company considers a financial asset to be in default if the contracted amount is more than 90 days overdue or if it is unlikely that the borrower will meet its credit obligation to pay the Company in full.

The expected credit loss is a weighted estimate of the probability of credit loss over the expected life of the financial instrument Credit losses are measured at the present value of all cash shortages, which is the difference between the cash flows that the Company can receive under the contracts and the cash flows that the Company expects to receive. Credit losses are expected to be discounted at the effective interest rate of the financial assets.

At each reporting date, the Company assesses whether there is credit impairment on financial assets at amortized cost. A financial asset is credit impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable information about

- significant financial difficulties of the borrower or issuer.
- defaults, such as delays or overdue for more than ninety days.
- concessions made by the Company to the Borrower that it would not otherwise consider for economic or contractual reasons related to the Borrower's financial difficulties;
- the borrower is likely to file for bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial assets due to financial difficulties.

Allowance for losses on financial assets at amortized cost is deducted from the carrying amount of the assets.

When the Company cannot reasonably expect to recover all or part of a financial asset, the total carrying amount of the financial asset is directly reduced. For corporate accounts, the timing and amount of write-offs are analyzed on a case-by-case basis based on whether or not recovery is reasonably expected by the Company The Company does not expect any material reversal of the amount written off. However, financial assets that have been written off are still enforceable in order to comply with the Company's procedures for recovering overdue amounts.

(4) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset cease, or when the financial asset has been transferred and substantially all the risks and compensation of ownership of the asset have been transferred to another enterprise or when substantially all the risks and returns of ownership have neither been transferred nor retained and control of the financial asset has not been retained.

If the Company enters into a transaction to transfer a financial asset and retains all or substantially all of the risks and returns of the transferred asset, the transaction is recognized on the balance sheet on an ongoing basis.

2. Financial liabilities and equity instruments

(1) Financial liabilities

Financial liabilities are classified as financial liabilities at amortized cost and subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. On de-recognition, any gain or loss is also recognized in profit or loss.

(2) De-recognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations are fulfilled, cancelled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is de-recognized and the new financial liability is recognized at fair value on the basis of the modified terms.

When a financial liability is de-recognized, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(3) Offsetting of financial assets and liabilities

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

(VII) Inventories

The original cost of inventories is the expenditure necessary to bring the inventories to a condition and location ready for sale or production, of which variable manufacturing overheads are allocated on the basis of actual production volume. Fixed manufacturing overheads are allocated to finished goods and work-in-process based on the normal production capacity of the production equipment. However, unallocated fixed manufacturing overheads resulting from lower production capacity or idle equipment should be recognized as cost of goods sold in the period in which they are incurred. If the actual production volume is higher than the normal production capacity, the actual production volume should be used to allocate the fixed manufacturing overheads. Cost is calculated using the monthly weighted-average method.

Inventories are subsequently measured at the lower of cost or net realizable value for each category of inventory. Net realizable value is calculated based on the estimated selling price under normal operations as of the balance sheet date, less costs and selling expenses to completion. If the cost of inventories exceeds the net realizable value, the cost of inventories is written down to the net realizable value and the amount of the write-down is recognized as cost of goods sold. If the net realizable value increases in subsequent periods, the increase in the net realizable value of inventories is reversed to the extent of the original reduction and is recognized as a reduction of cost of goods sold in the current period.

(VIII) Property, plant and equipment

1. Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment.

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

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditures are capitalized only when it is probable that future economic benefits will flow to the Company.

3. Depreciation

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

Land is not subject to depreciation.

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

Buildings and structures	3 to 36 years
Machinery and equipment	2 to 20 years
Other equipment	2 to 36 years

The Company reviews the depreciation method, useful life and residual value at each reporting date and makes appropriate adjustments as necessary.

(IX) Leases

The Company assesses whether a contract is a lease or contains a lease at the establishment date of the contract. A contract is or contains a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration.

1. Lessee

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost, which includes the original measurement of the lease liability, adjusted for any lease payments made on or before the lease commencement date, plus the original direct cost incurred and the estimated cost to disassemble, remove and restore the subject asset or to move to its location, less any lease incentives received.

Right-of-use assets are subsequently depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company periodically assesses whether or not a right-of-use asset is impaired and addresses any impairment loss incurred, and adjusts the right-of-use asset when the lease liability is remeasured.

Lease liabilities are measured initially at the present value of the lease payments outstanding at the commencement date of the lease. If the implied interest rate of a lease is readily determinable, the discount rate is that rate. If it is not readily determinable, the Company's incremental borrowing rate is used. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities consist of:

(1) fixed payments, including actual fixed payments;
(2) variable lease payments that depend on an index or rate, using the index or rate at the inception date of the lease as the original measure;
(3) the amount of the residual value guarantee expected to be paid; and
(4) the exercise price or penalty to be paid if it is reasonably certain that the option to purchase or the option to terminate the lease will be exercised.

Lease liabilities are subsequently accrued for interest by using the effective interest method and are remeasured when any of the following circumstances occurs:

(1) a change in the index or rate used to determine lease payments resulting in a change in future lease payments;
(2) a change in the amount of the residual deposit expected to be paid;
(3) a change in the evaluation of the purchase option on the subject asset;
(4) a change in the estimate of whether to exercise the option to extend or terminate, resulting in a change in the assessment of the lease term;
(5) a change in the subject matter, scope or other terms of the lease.

When a lease liability is remeasured as a result of changes in the index or rate used to determine the lease payments, changes in the residual value guarantee amount and changes in the evaluation of the option to purchase, extend or terminate, the carrying amount of the right-of-use asset is adjusted accordingly and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The right-of-use assets and lease liabilities that do not meet the definition of investment property are presented as separate line items in the balance sheet.

For short-term leases of transportation equipment and leases of low-value underlying assets, the Company elects not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as expenses on a straight-line basis over the lease period.

2. Lessor

Transactions in which the Company is the lessor are classified as finance leases on the inception date of the lease based on whether or not the lease contracts transfer substantially all the risks and returns incidental to the ownership of the subject assets and if so, are classified as operating leases. In the evaluation, the Company considers specific indicators including whether the lease period covers a major portion of the economic life of the subject asset.

(X) Impairment of non-financial assets

The Company assesses at each reporting date whether or not there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any indication exists, the recoverable amount of the asset is estimated. Goodwill is tested annually for impairment.

For the purpose of impairment testing, a group of assets with cash inflows that are largely independent of those of other individual assets or groups of assets is considered to be the smallest identifiable group of assets. Goodwill acquired on a business merger is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the synergy.

The recoverable amount is the higher of the fair value of individual assets or cash-generating units less costs of disposal and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized if the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount.

An impairment loss is recognized immediately in profit or loss and reduces the carrying amount of the cash-generating unit's amortized goodwill first, and then reduces the carrying amount of each asset in proportion to the carrying amount of the other assets in the unit.

A non-financial asset is reversed only to the extent that the carrying amount of the asset, net of depreciation or amortization, would have been determined had no impairment loss been recognized in prior years.

(XI) Revenue recognition

Revenue is measured as the consideration to which the Company is expected to be entitled for the transfer of goods or services. Revenue is recognized when the Company satisfies its performance obligation by transferring control of the goods or services to the customer. The Company's major revenue items are described as follows:

1. Revenue from sales and processing of goods

The Company is mainly engaged in the manufacturing, processing and trading of steel wire and steel bars. The Company recognizes revenue when control over the products is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there is no outstanding obligation that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Company has objective evidence that all acceptance conditions have been met.

The Company recognizes processing revenue in the financial reporting period in which the related services are rendered

The Company recognizes accounts receivable upon delivery of goods because the Company has the unconditional right to receive the consideration at that point in time.

2. Financial components

The Company does not adjust the time value of money of the transaction price because the interval between the transfer of goods to the customer and the payment for the goods is expected to be less than one year for all customer contracts.

(XII) Employee benefits

1. Defined contribution plan

The contribution obligation of the defined contribution pension plan is recognized as employee benefit expense in profit or loss over the period in which the employees render service.

2. Defined benefit plan

The Company's net obligation for defined benefit plan is calculated by discounting future benefit amounts earned by employees for current or prior periods of service to present value, less the fair value of any plan assets.

The defined benefit obligation is actuarially calculated annually by a qualified actuary using the projected unit benefit method. When the calculation is likely to be favorable to the Company, the asset is recognized to the extent of the present value of any economic benefits available in the form of refunds of contributions from the plan or reductions in future contributions to the plan. The present value of economic benefits is calculated by taking into account any minimum funding requirements.

The remeasurement of the net defined benefit obligation, including actuarial gains and losses, return on plan assets (excluding interest), and any change in the asset ceiling effect (excluding interest) are recognized immediately in other comprehensive income and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit obligation (asset) using the net defined benefit obligation (asset) and discount rate determined at the beginning of the annual reporting period. Net interest expense and other expenses for defined benefit plan are recognized in profit or loss.

Changes in benefits related to prior service costs or curtailment of benefits or losses arising from plan amendments or curtailments are recognized immediately in profit or loss. Gain or loss on the settlement of defined benefit plan is recognized when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are rendered. If the Company has a present legal or constructive obligation to pay for services rendered by employees and the obligation can be reliably estimated, the amount is recognized as a liability.

(XIII) Government subsidies

Government subsidies to reimburse the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis over the same period as the related expenses.

(XIV) Income tax

Income tax consists of current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except when they relate to business mergers, items recognized directly in equity or other comprehensive income.

Current income tax includes estimated income tax payable or refundable based on current year's taxable income (loss) and any adjustments to prior years' income tax payable or refundable. Its best estimate is the amount expected to be paid or received based on the statutory or substantively enacted tax rate at the reporting date.

Deferred income tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax is not recognized for temporary differences arising from.

1. assets or liabilities that are not part of the initial recognition of a business merger transaction and do not affect the accounting profit and taxable income (loss) at the time of the transaction.
2. temporary differences arising from investments in subsidiaries, affiliates and joint ventures where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and
3. taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax is measured at the tax rate that is expected to apply when the temporary differences reverse, using either the statutory tax rate or the effective legislative tax rate at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset only if the following conditions are met at the same time:

1. the Company has the legal right to offset current income tax assets and liabilities; and
2. the deferred income tax assets and deferred income tax liabilities relate to one of the following taxable entities that are subject to income tax by the same taxing authority:
   (1) the same taxable entity; or
   (2) different taxable entities, provided that each entity intends to settle current income tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

   Deferred income tax assets are recognized for unused tax losses and unused tax credits carried forward to the extent that it is probable that future taxable income will be available against which the deferred income tax assets can be utilized, together with deductible temporary differences. Deferred tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related income tax benefit will be realized, or the amount of the reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

(XV) Earnings per share

The Company presents basic and diluted earnings per share attributable to equity holders of common stock. Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common shares by the weighted-average number of common shares outstanding, adjusted for the effect of all dilutive potential common shares. The Company's potentially dilutive common shares are profit-sharing remuneration for employees issued in stock.

(XVI) Segment Information

The operating segments are components of the Company that engage in activities that may generate revenues and expenses, including revenues and expenses related to intercompany transactions with other components of the Company. The operating results of all operating segments are reviewed periodically by the Company's chief operating decision maker to make decisions about the allocation of resources to those segments and to evaluate their performance. Separate financial information is available for each operating segment.

V. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from estimates.

Management reviews estimates and underlying assumptions on an ongoing basis, and changes in accounting estimates are recognized in the period of change and in the future periods affected.

The financial statements do not include information on accounting policies that involve significant judgments that have a material effect on the amounts to be recognized.

Information about uncertainties in assumptions and estimates that have a significant risk of causing a material adjustment in the subsequent year is included in the subsequent measurement of inventories. Since inventories are measured at the lower of cost or net realizable value, the Company assesses the amount of inventories that are normally worn out, obsolete or have no marketable value at the reporting date and reduces the cost of inventories to net realizable value. This inventory measurement is based on estimates of demand for products in specific periods in the future and is subject to significant changes due to rapid changes in the industry. Please refer to Note 6(4) for the subsequent measurement of inventories.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand	$ 62	62
Demand deposits and checking deposits	66,456	102,963
Foreign currency deposits	22,245	24,851
Cash and cash equivalents in the statements of cash flows	$ 88,763	127,876

Please refer to Note 6(16) for the disclosure of the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Financial assets

1. Financial assets at fair value through profit or loss

	2022.12.31	2021.12.31
Financial assets mandatorily measured at fair value through profit or loss:		
Funds	$ 975	1,008

As of December 31, 2022 and 2021, none of the above financial assets had been pledged as collaterals.

2. Sensitivity analysis - securities price risk

If the price of securities had changed at the reporting date (the same basis is used for the analysis of both periods and other variables are assumed to be constant), the impact on the comprehensive income items would have been as follows:

	2022		2021	
Price of securities at reporting date	**Impact on other comprehensive income after tax**	**Profit or loss after tax**	**Impact on other comprehensive income after tax**	**Profit or loss after tax**
Increase by 1%	$ -	8	-	8
Decrease by 1%	$ -	(8)	-	(8)

3. Financial assets at amortized cost

	2022.12.31	2021.12.31
Reserve demand deposit account	$ 49,488	29,278
Reserve time deposit account	8,411	6,000
Corporate bonds with repurchase agreement	3,000	13,003
Total	$ 60,899	48,281

The Company assesses that these assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely attributable to the payment of principal and interest on the outstanding principal amount and are therefore reported as financial assets at amortized cost.

As of December 31, 2022 and 2021, the above financial assets were pledged as collaterals for loans. Please refer to Note 8.

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

The breakdown of the Company's accounts receivable is as follows:

		2022.12.31	2021.12.31
Notes receivable	$	43,080	58,432
Notes receivable - related parties		2,938	6,002
Accounts receivable		144,690	166,165
Accounts receivable - related parties		1,453	5,697
Less: Allowance for losses		66	8
	$	192,095	236,288

As of December 31, 2022 and 2021, none of the receivables of the Company were discounted, of which $24,248 and $26,685, respectively, were provided as collaterals for loans, please refer to Note 8.

The Company uses a simplified approach to estimate expected credit losses on all notes and accounts receivable, by measuring expected credit losses over their duration. For this purpose, these notes and accounts receivable are grouped according to common credit risk characteristics that represent customers' abilities to pay all amounts due under the contractual terms with forward-looking information taken into account, including general economic and related industry information.

Analysis of the expected credit losses on notes receivable and accounts receivable is as follows:

	2022.12.31			
		Carrying amounts of notes receivable and accounts receivable	Weighted-average expected credit loss rate	Allowance for expected credit losses over the duration
Not overdue	$	150,572	0.000%	-
Less than 30 days overdue		30,271	0.000%	-
31~60 days overdue		8,936	0.000%	-
91~180 days overdue		2,382	2.791%	66
	$	192,161		66

	2021.12.31			
	Carrying amounts of notes receivable and accounts receivable		Weighted-average expected credit loss rate	Allowance for expected credit losses over the duration
Not overdue	$	190,483	0.001%	2
Less than 30 days overdue		38,582	0.006%	3
31~60 days overdue		7,210	0.021%	2
61~90 days overdue		11	2.855%	-
91~180 days overdue		3	3.230%	-
181~365 days overdue		7	14.542%	1
	$	236,296		8

Changes in allowance for losses on notes and accounts receivable (including related parties) were as follows:

		2022	2021
Balance at the beginning of the period	$	8	2,441
Impairment loss (reversal gain) recognized		58	(139)
Amount written off due to non-recoverability		-	(2,294)
Balance at the end of the period	$	66	8

(IV) Inventories

Breakdown of the Company's inventories is as follows:

		2022.12.31	2021.12.31
Raw materials	$	578,083	249,011
Work in process		18,818	19,733
Finished goods		184,619	127,036
Merchandise inventories		13	404
Inventories in transit		7,804	79,041
	$	789,337	475,225

As of December 31, 2022 and 2021, none of the inventories had been pledged as collaterals.

In addition to the transfer of inventories for normal sales to operating costs, the total amount of other expenses (gains) directly included in operating costs were as follows:

		2022	2021
Net reversal of loss on inventories	$	(1,000)	(6,000)
Unallocated manufacturing overheads		27,881	3,181
Net inventory cycle-count losses		75	220
Revenue from scraps		(3,721)	(4,648)
Total	$	23,235	(7,247)

(V) Property, plant and equipment

Changes in the cost, depreciation and impairment loss of property, plant and equipment were as follows:

	Land	Buildings and structures	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2022	$ 672,106	231,848	586,699	81,101	1,571,754
Addition	-	1,981	12,738	6,560	21,279
Disposal	-	(80)	(93,927)	(10,080)	(104,087)
Reclassification	-	-	2,391	694	3,085
Balance as of December 31, 2022	$ 672,106	233,749	507,901	78,275	1,492,031
Balance as of January 1, 2021	$ 672,106	252,936	594,446	79,727	1,599,215
Addition	-	10,215	22,192	4,058	36,465
Disposal	-	(31,303)	(29,939)	(2,684)	(63,926)
Balance as of December 31, 2021	$ 672,106	231,848	586,699	81,101	1,571,754
Depreciation and impairment loss:					
Balance as of January 1, 2022	$ -	119,382	326,098	41,531	487,011
Depreciation	-	8,880	51,729	8,306	68,915
Disposal	-	(80)	(93,927)	(10,080)	(104,087)
Balance as of December 31, 2022	$ -	128,182	283,900	39,757	451,839
Balance as of January 1, 2021	$ -	142,386	303,280	36,128	481,794
Depreciation	-	8,299	52,757	8,087	69,143
Disposal	-	(31,303)	(29,939)	(2,684)	(63,926)
Balance as of December 31, 2021	$ -	119,382	326,098	41,531	487,011
Book value:					
December 31, 2022	$ 672,106	105,567	224,001	38,518	1,040,192
January 1, 2021	$ 672,106	110,550	291,166	43,599	1,117,421
December 31, 2021	$ 672,106	112,466	260,601	39,570	1,084,743

1. Impairment loss

Changes in accumulated impairment of the Company's property, plant and equipment were as follows:

	2022	2021
Balance at the beginning of the period (i.e. balance at the end of the period)	$ 2,504	2,504

2. Collateral

Breakdown of the Company's property, plant and equipment used as collaterals short-term loans, long-term loans and financing lines as of December 31, 2022 and 2021 is as follows. Please refer to Note 8.

(VI) Right-of-use assets

Changes in the cost and depreciation of the right-of-use assets recognized for transportation equipment leased by the Company were as follows:

		Transportation equipment
Cost of right-of-use assets		
Balance as of January 1, 2022	$	8,546
Addition		1,000
Balance as of December 31, 2022	$	9,546
Balance as of January 1, 2021	$	8,752
Addition		569
Reduction		(775)
Balance as of December 31, 2021	$	8,546
Depreciation of right-of-use assets		
Balance as of January 1, 2022	$	4,642
Depreciation		2,470
Balance as of December 31, 2022	$	7,112
Balance as of January 1, 2021	$	3,059
Depreciation		2,358
Reduction		(775)
Balance as of December 31, 2021	$	4,642
Book value:		
December 31, 2022	$	2,434
January 1, 2021	$	5,693
December 31, 2021	$	3,904

(VII) Long-term and short-term loans

Details, terms and conditions of the Company's long-term and short-term loans were as follows:

1. Short-term loans

	2022.12.31				
	Currency	Interest rate range (%)	Maturity year	Amount	
Loans under letters of credit	NTD	1.67~2.599	2023	$	165,328
Secured bank loans	NTD	1.85~2.375	2023		557,000
Total				$	722,328

	2021.12.31			
	Currency	**Interest rate range (%)**	**Maturity year**	**Amount**
Loans under letters of credit	NTD	1.55~1.95	2022	$ 200,132
Loans under letters of credit	USD	0.800~1.223	2022	33,197
Secured bank loans	NTD	1.427~1.750	2022	80,000
Total				$ 313,329

As of December 31, 2022 and 2021, the Company had undrawn short-term borrowing lines amounting to $314,702 thousand and $411,929 thousand, respectively.

2. Short-term bills payable

Breakdown of short-term bills payable is as follows:

	2022.12.31		
	Guarantee or acceptance institution	**Interest rate range (%)**	**Amount**
Commercial paper payables	Mega Bills Finance Co., Ltd.	1.56	$ 30,000
Less: Discount on short-term bills payable			22
Total			$ 29,978

	2021.12.31		
	Guarantee or acceptance institution	**Interest rate range (%)**	**Amount**
Commercial paper payables	Mega Bills Finance Co., Ltd.	1.3	$ 30,000
Commercial paper payables	SHANGHAI COMMERCIAL & SAVINGS BANK	0.402	30,000
Subtotal			60,000
Less: Discount on short-term bills payable			62
Total			$ 59,938

3. Long-term loans

	2022.12.31			
	Currency	**Interest rate range (%)**	**Maturity year**	**Amount**
Secured bank loans	NTD	2.025~2.275	2023~2027	$ 95,857
Current				$ 47,940
Non-current				47,917
Total				$ 95,857

	2021.12.31			
	Currency	**Interest rate range (%)**	**Maturity year**	**Amount**
Secured bank loans	NTD	1.40~1.79	2022~2024	$ 97,571
Current				$ 51,714
Non-current				45,857
Total				$ 97,571

As of December 31, 2022 and 2021, the Company had no undrawn long-term borrowing lines.

For information on the Company's interest rate, foreign currency and liquidity risk exposures, please refer to Note 6(16).

4. Collaterals for bank loans

The Company’s assets pledged as collaterals for bank loans are as described in Note 8.

(VIII) Lease liabilities

Carrying amounts of the Company's lease liabilities were as follows:

	2022.12.31	2021.12.31
Current	$ 1,825	2,388
Non-current	$ 619	1,579

For maturity analysis, please refer to Note 6(16) Financial instruments.

Amount of leases recognized in profit or loss was as follows:

	2022	2021
Interest expense on lease liabilities	$ 56	83

Amount of leases recognized in the statements of cash flows was as follows:

	2022	2021
Total cash outflows from leases	$ 2,579	2,436

The Company leases transportation equipment for periods ranging from two to four years.

(IX) Employee benefits

1. Defined benefit plan

Reconciliation of the present value of the Company's defined benefit obligations to the fair value of plan assets is as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligations	$ 70,648	79,307
Fair value of plan assets	(68,938)	(68,534)
Net defined benefit liabilities	$ 1,710	10,773

The Company makes appropriations for the defined benefit plans to a dedicated account of Labor Retirement Reserve at the Bank of Taiwan. The retirement benefit for each employee under the Labor Standards Act is based on the bases of the number of years of service and the average salary for the six months before retirement.

(1) Composition of plan assets

The Company's pension fund under the Labor Standards Act is administered by the Bureau of Labor Funds, the Ministry of Labor (formerly the Bureau of Labor Funds, Ministry of Labor, Executive Yuan). In accordance with the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund”, the minimum annual earnings of the Fund shall not be less than the earnings calculated based on the interest rate of a two-year time deposit at a local bank.

As of December 31, 2022, the balance of dedicated account of Labor Retirement Reserve at the Bank of Taiwan was $68,938 thousand. For information on the labor pension fund assets, including the fund earnings yield and fund asset allocation, please refer to the information published on the website of the Bureau of Labor Funds, the Ministry of Labor (formerly the Bureau of Labor Funds, Ministry of Labor, Executive Yuan)

(2) Changes in the present value of defined benefit obligations

Changes in the present value of the Company's defined benefit obligations were as follows:

		2022	2021
Defined benefit obligations as of January 1	$	79,307	79,368
Current service costs and interest		1,077	1,174
Remeasurement of net defined benefit liabilities			
- Actuarial gain or loss resulting from changes in financial assumptions		(2,500)	5,507
Benefits paid		(7,236)	(6,742)
Defined benefit obligations as of December 31	**$**	**70,648**	**79,307**

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets were as follows:

		2022	2021
Fair value of plan assets as of January 1	$	68,534	72,870
Interest income		324	419
Remeasurement of net defined benefit liabilities			
- Return on plan assets (excluding current interest)		5,825	867
Amount appropriated to the plan		1,491	1,120
Benefits paid		(7,236)	(6,742)
Fair value of plan assets as of December 31	**$**	**68,938**	**68,534**

(4) Expenses recognized in profit or loss

Breakdown of expenses reported by the Company is as follows:

		2022	2021
Current service costs	$	702	718
Net interest on net defined benefit liabilities		51	37
	$	**753**	**755**

		2022	2021
Operating costs	$	585	542
Selling expenses		20	18
Administrative expenses		148	195
Total	**$**	**753**	**755**

(5) Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligations as of the reporting date were as follows:

	2022.12.31	**2021.12.31**
Discount rate	1.500%	0.500%
Future salary increase	1.000%	1.000%

The Company expects to make the appropriation of $1,080 thousand for the defined benefit plan in the year following the reporting date for 2022.

The weighted-average duration of the defined benefit plan is 9.25 years.

(6) Sensitivity analysis

The effect of changes in key actuarial assumptions on the present value of the defined benefit obligations as of December 31, 2022 and 2021 was as follows:

	Increase (Decrease) in the defined benefit obligations	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2022		
Discount rate (change by 0.25%)	$ (938)	965
Future salary increase (change by 0.25%)	942	(919)
December 31, 2021		
Discount rate (change by 0.25%)	$ (1,226)	1,264
Future salary increase (change by 0.25%)	1,223	(1,192)

The sensitivity analysis above explores the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many of these assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net defined benefit obligations for the balance sheet.

The methodology and assumptions used in preparing the sensitivity analysis are the same as those used in the previous period.

2. Defined contribution plan

The Company's defined contribution plan is based on the Labor Pension Act, and the contribution rate is 6% of the employees' monthly wages to employees’ personal pension accounts at the Bureau of Labor Insurance Under this plan, the Company has no legal or constructive obligations to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

The Company's pension expenses under the defined contribution pension plan was $2,698 thousand and $2,495 thousand for 2022 and 2021, respectively.

(X) Income tax

1. Income tax expense

Breakdown of the Company's income tax expense is as follows:

		2022	2021
Current income tax expense			
Incurred during the period	$	11,595	34,048
Adjustments to current income tax for prior periods		(17)	-
		11,578	34,048
Deferred income tax expense			
Occurrence and reversal of temporary differences		229	1,437
Income tax expense	$	11,807	35,485

There was no income tax expense recognized in equity and other comprehensive income for 2022 and 2021.

Reconciliation of income tax expense to net profit before tax is as follows:

		2022	2021
Net profit before tax	$	59,026	178,834
Income tax based on the domestic tax rate of the Company's jurisdiction	$	11,805	35,767
Adjustments for tax return		19	(282)
Overestimation of income tax for prior periods		(17)	-
Total	$	11,807	35,485

2. Deferred income tax assets - deferred income tax assets recognized

Changes in deferred income tax assets

		Allowance for loss on decline in value of inventories	Provision for retirement benefits	Others	Total
January 1, 2022	$	3,200	931	541	4,672
Debit to the Statements of Comprehensive Income		(200)	(147)	118	(229)
December 31, 2022	$	3,000	784	659	4,443
January 1, 2021	$	4,400	1,004	705	6,109
Debit to the Statements of Comprehensive Income		(1,200)	(73)	(164)	(1,437)
December 31, 2021	$	3,200	931	541	4,672

3. Status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2020.

(XI) Capital and other equity

1. Common stock capital

As of December 31, 2022 and 2021, the Company's total authorized capital was $2,900,000 thousand with a par value of $10 per share and 290,000 thousand shares. The number of common shares issued was 97,500 thousand shares at both balance sheet dates.

2. Capital surplus

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

	2022.12.31	2021.12.31
Transactions of treasury stock	$ 10,438	10,438
Others	92	64
	$ 10,530	10,502

In accordance with the Company Act, capital surplus must first be used to make up for losses before new shares or can be issued or cash can be paid in proportion to the shareholders' original shares based on the realized capital surplus. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized as equity in an amount not exceeding 10% of the paid-in capital each year.

3. Retained earnings:

In accordance with the applicable provisions of the Company's Articles of Incorporation, if the Company makes a profit in a year as concluded by the year-end account close, the Company shall first pay taxes, make up for accumulated losses, then provide 10% for legal reserve, except that if the legal reserve has reached the Company's paid-in capital, no further provision shall be made. The remaining amount, after the special reserve is set aside or reversed, shall be the earnings available for distribution for the year, for which together with the accumulated undistributed earnings, the Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders for resolution on the distribution of dividends to shareholders. The Company's dividends policy is formulated in accordance with the Company's current and future development plans, with the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders taken into account. The Company's dividend policy is based on the principle that no less than 30% of the earnings available for distribution in a given year should be distributed as dividends, which may be paid in cash or in stock, with cash dividends not less than 30% of the total dividends. However, if, after calculations, the dividends and bonuses (the sum of cash dividends and stock dividends) to shareholders are less than $0.20 per share, no distribution of dividends shall be made.

(1) Legal reserve

The Company may issue new shares or pay cash from the legal reserve up resolution of the shareholders’ meeting when the Company has no losses, but limited to the part of the legal reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

On May 26, 2022 and August 25, 2021, respectively, the Company's shareholders resolved the distribution of earnings for 2021 and 2010, and the amounts of dividends distributed to shareholders were as follows, and related information can be found on the MOPS:

	2021		2020	
	Distribution rate (NTD)	Amount	Distribution rate (NTD)	Amount
Dividends distributed to shareholders of common stock:				
Cash	$ 1.20	117,000	0.25	24,375

On February 23, 2023, the Board of Directors resolved on the 2022 earnings distribution proposal and the amount of dividends to be distributed to shareholders was as follows:

	2022	
	Distribution rate (NTD)	**Amount**
Cash	$ 0.35	**34,125**

(XII) Earnings per share

The calculations of basic earnings per share and diluted earnings per share are as follows:

1. Basic earnings per share

Unit: Thousands of shares

	2022	**2021**
Net profit attributable to shareholders of the Company's common stock	**47,219**	**143,349**
Weighted average number of common shares outstanding	**97,500**	**97,500**
Basic earnings per share (NTD)	**0.48**	**1.47**

2. Diluted earnings per share

Unit: Thousands of shares

	2022	**2021**
Net profit attributable to shareholders of the Company's common stock	**47,219**	**143,349**
Weighted average number of common shares outstanding	97,500	97,500
Effect of dilutive potential common shares		
Effect of profit-sharing remuneration for employees in stock	99	193
Weighted average number of common shares outstanding (diluted)	**97,599**	**97,693**
Diluted earnings per share (NTD)	**0.48**	**1.47**

(XIII) Revenue from customer contracts

1. Breakdown of revenue

	2022	**2021**
Major market by region:		
Taiwan	$ 731,540	1,101,034
China	200,150	191,935
Indonesia	125,229	90,499
Malaysia	44,807	66,311
Other countries	66,872	76,672
	$ 1,168,598	**1,526,451**

		2022	2021
Main product/service lines			
Steel bars	$	807,824	1,097,579
Steel wires		278,734	331,680
Other products		21,896	20,869
Processing revenue		60,144	76,323
	$	1,168,598	1,526,451

2. Contract balance

		2022.12.31	2021.12.31	2021.1.1
Notes receivable	$	43,080	58,432	49,729
Notes receivable - related parties		2,938	6,002	7,052
Accounts receivable		144,690	166,165	206,618
Accounts receivable - related parties		1,453	5,697	3,102
Long-term receivables		-	-	2,294
Less: Allowance for losses		66	8	2,441
Total	$	192,095	236,288	266,354

Please refer to Note 6(3) for the disclosure of notes receivable, accounts receivable, long-term receivables and impairment losses thereof.

(XIV) Profit-sharing remuneration for employees, directors and supervisors

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, 2% of which should be appropriated as profit-sharing remuneration for employees and no more than 3% as profit-sharing remuneration for directors and supervisors However, if the Company still has accumulated losses, it should reserve the amount to make up for the losses in advance

After the establishment of the Audit Committee in August 2021, in accordance with the Company's amended Articles of Incorporation, if the Company makes a profit in a year, 2% of which should be appropriated as profit-sharing remuneration for employees and no more than 3% as profit-sharing remuneration for directors. However, if the Company still has accumulated losses, it should reserve the amount to make up for the losses in advance

For 2022 and 2021, the amount of profit-sharing remuneration for employees was $1,243 thousand and $3,765 thousand, respectively, and the amount of profit-sharing remuneration for directors and supervisors was $1,864 thousand and $5.647 thousand, respectively, which were calculated by multiplying the Company's net profit before tax before deducting profit-sharing remuneration for employees and profit-sharing remuneration for directors and supervisors by the percentages of profit-sharing remuneration for employees and profit-sharing remuneration for directors and supervisors stipulated in the Company's Articles of Incorporation and reported as operating costs or operating expenses for 2022 and 2021. The related information is available on the Market Observation Post System. There was no difference between the profit-sharing remuneration for employees and profit-sharing remuneration for directors and supervisors resolved by the Board of Directors and the amounts provided in the Company's financial statements for 2022 and 2021.

(XV) Non-operating income and expense

1. Interest income

Breakdown of the Company's interest income is as follows:

		2022	2021
Interest on bank deposits	$	483	215

2. Other income

	2022	2021
Dividends income	$ -	84
Others	1,007	2,073
Total other income	$ 1,007	2,157

3. Other gain or loss

	2022	2021
Net foreign currency exchange gain (loss)	$ 8,505	(309)
Net gain (loss) on financial assets at fair value through profit or loss:	(35)	1,408
Miscellaneous expenses	(60)	-
Other gain or loss, net	$ 8,410	1,099

4. Financial costs

	2022	2021
Interest expense	$ 13,635	7,071

(XVI) Financial instruments

1. Credit risk

(1) Credit risk exposure

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

(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 and its sales regions are scattered, there is no significant concentration of credit risk in 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 customers.

2. Liquidity risk - Maturity analysis of financial liabilities

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

	Carrying amount	Contractual cash Flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2022						
Non-derivative financial liabilities						
Bank loans under letters of credit	$ 165,328	165,885	165,885	-	-	-
Secured bank loans	557,000	561,534	561,534	-	-	-
Short-term bills payable	29,978	30,000	30,000	-	-	-
Long-term secured bank loans (including portion due within one year)	95,857	98,665	48,731	13,407	36,527	-
Notes payable	63	63	63	-	-	-
Accounts payable	106,819	106,819	106,819	-	-	-
Accounts payable - related parties	96	96	96	-	-	-
Other payables	47,148	47,148	47,148	-	-	-
Lease liabilities	2,444	2,478	1,851	427	200	-
	$ 1,004,733	1,012,688	962,127	13,834	36,727	-

	Carrying amount	Contractual cash Flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2021						
Non-derivative financial liabilities						
Bank loans under letters of credit	$ 233,329	234,801	234,801	-	-	-
Secured bank loans	80,000	80,308	80,308	-	-	-
Short-term bills payable	59,938	60,000	60,000	-	-	-
Long-term secured bank loans (including portion due within one year)	97,571	99,398	53,062	46,336	-	-
Notes payable	20,857	20,857	20,857	-	-	-
Notes payable - related parties	22	22	22	-	-	-
Accounts payable	158,004	158,004	158,004	-	-	-
Accounts payable - related parties	34	34	34	-	-	-
Other payables	50,725	50,725	50,725	-	-	-
Lease liabilities	3,967	4,028	2,436	1,508	84	-
	$ 704,447	**708,177**	**660,249**	**47,844**	**84**	**-**

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

3. Exchange rate risk

(1) Exchange rate risk exposure

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

	Foreign currency	Exchange rate	NTD
December 31, 2022			
Financial assets			
Monetary items			
USD	$ 3,604	30.7150	110,697
Financial liabilities			
Monetary items			
USD	$ 254	30.7150	7,804
December 31, 2021			
Financial assets			
Monetary items			
USD	$ 3,201	27.6800	88,599
Financial liabilities			
Monetary items			
USD	$ 2,201	27.6800	60,916

(2) Sensitivity analysis

The Company's exchange rate risk arises mainly from foreign-currency denominated cash and cash equivalents, financial assets at amortized cost, accounts receivable, other receivables, loans, accounts payable and other payables, which result in foreign currency exchange gains or losses upon translation. As of December 31, 2022 and 2021, if NTD had depreciated or appreciated by 5% against foreign currencies, with all other factors held constant, net profit before tax would had increased or decreased by $5,145 thousand and $1,384 thousand for 2022 and 2021, respectively. The same basis was used in the analysis for both periods.

(3) Exchange gain or loss on monetary items

Information on exchange rate for the translation of monetary items into the Company's functional currency, including realized and unrealized gains and losses, was as follows:

	2022		2021	
	Exchange gain (loss)	**Average exchange rate**	**Exchange gain (loss)**	**Average exchange rate**
USD	$ 8,505	29.8503	(309)	27.9354

4. Interest rate analysis

The Company's interest rate risk on financial liabilities is described in Liquidity Risk Management of this Note.

The following sensitivity analysis is based on the interest rate risk of non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of the liabilities outstanding at the reporting date were outstanding for the entire year. The changes used for the Company's internal reporting of interest rates to key management is increased or decreased in interest rates by 1%, which represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased or decreased by 1%, with all other variables held constant, the Company's net profit before tax would have decreased or increased by $8,182 thousand and $4,109 thousand for2022 and 2021, respectively, primarily due to the Company's variable rate borrowings.

5. Information on fair value

(1) Types and fair values of financial instruments

The carrying amounts and fair values of the Company's financial assets and liabilities (except for the following, if the carrying amounts of financial instruments are a reasonable approximation of fair values, disclosure of information on fair value is not required) were as follows:

	2022.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss:	$ 975	975	-	-	975

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss:	$ 1,008	1,008	-	-	1,008

(2) Fair value measurement techniques for financial instruments at fair value - non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted market price in the active market. The market price announced by major exchanges and the OTC trading centers for central government bonds, which are judged to be popular, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

A financial instrument has active market quotations if public quotations are available from exchanges, brokers, underwriters, industry associations, pricing service agencies, or competent authorities in a timely and regular manner and the prices represent actual and regular arm's-length market transactions. If the above criteria are not met, the market is not considered active. In general, a very wide bid-ask spread, a significant increase in the bid-ask spread, or low trading volume are all indicators of an inactive market.

The financial instruments held by the Company are open-end funds and stocks of listed companies, which are financial assets with standard terms and conditions and traded in active markets, and their fair values are determined by reference to quoted market prices.

(XVII) Financial risk management

1. Outline

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

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This Note presents information on the Company's exposure to each of the above risks and the Company's objectives, policies and procedures for measuring and managing these risks. For further quantitative disclosures, please refer to the respective notes to the financial statements.

2. Risk management framework

The Board of Directors is solely responsible for establishing and overseeing the risk management framework of the Company. The Chairperson of the Board of Directors is responsible for the development and control of the Company's risk management policies and reports regularly to the Board of Directors on the operations.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor compliance with the risks and risk limits. The risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures so that all employees understand their roles and responsibilities.

The Company's Board of Directors monitors how management ensures compliance with the Company's risk management policies and procedures and reviews the appropriateness of the Company's risk management framework with respect to the risks it faces. Internal auditors assist the Company's Board of Directors in its oversight role. These auditors conduct regular and exceptional reviews of risk management controls and procedures and report the results of these reviews to the Board of Directors.

3. Credit risk

Credit risk refers to the risk of loss arising from the failure of any counterparty to perform its contractual obligations. The Company limits the counterparties of derivative instruments to those with good credit rating and expects that the counterparties will not default on their contracts. Therefore, the likelihood of credit risk is extremely low.

The Company's notes and accounts receivable (including related parties) and other financial assets exposed to credit risk are evaluated for contracts with positive fair values at the balance sheet date.

Significant concentration of credit risk occurs when the counterparties to financial instrument transactions are significantly concentrated in a small number of counterparties, or when the counterparties to financial instrument transactions are not significantly concentrated in a small number of counterparties, but most of the counterparties are engaged in similar business activities and have similar economic characteristics, such that their ability to perform the contracts is similarly affected by economic or other conditions. The counterparties of the Company's financial instruments are not significantly concentrated, but the counterparties of notes and accounts receivable are concentrated in three customers, accounting for 26% and 24% of the net notes and accounts receivable (including related parties) as of December 31, 2022 and 2021, respectively.

4. Liquidity risk

The Company's current assets are greater than its current liabilities. Therefore, the Company has sufficient working capital and is not exposed to liquidity risk due to its inability to raise funds to meet its contractual obligations. In addition, as of December 31, 2022 and 2021, the Company’s undrawn short-term borrowing lines amounted to $314,702 thousand and $411,929 thousand, respectively.

5. Market risk

Market risk refers to the potential loss that the Company may suffer due to changes in market interest rates or exchange rates as a result of the Company’s engagements in related transactions. To manage exchange rate risk, the Company maintains net foreign currency positions within certain limits.

The Company's creditor’s rights in foreign-currency are subject to exchange rate fluctuations, but they do not represent a significant portion of the Company's total assets to exchange rate fluctuations. Therefore, the impact of exchange rate changes thereon remains within a certain range.

(XVIII) Capital management

It is the policy of the Board of Directors to maintain a sound capital base to sustain the confidence of investors, creditors and the market and to support the future development of operations. Capital consists of the Company's capital stock, capital surplus and retained earnings. The Board of Directors controls the debit to capital ratio and the level of dividends on common stock.

The debit to capital ratio as of the reporting date was as follows:

		2022.12.31	2021.12.31
Total liabilities	$	1,024,427	756,159
Less: Cash and cash equivalents		88,763	127,876
Net liabilities	$	935,664	628,283
Capital	$	1,189,562	1,250,990
Debt to capital ratio		79%	50%

As of December 31, 2022, the Company's capital management practices had not changed.

(XIX) Investments and financing activities in non-cash transactions

The Company's investments and financing activities in non-cash transactions during 2022 consisted of acquiring right-of-use assets by lease There were no investments and financing activities in non-cash transactions during 2021.

Reconciliation of the Company's liabilities from financing activities is as follows:

	2022.1.1	Cash flows	Reconciliation of non-cash transactions: Effect of changes in exchange rate	Reconciliation of non-cash transactions: Amortization of discounts of bills	Reconciliation of non-cash transactions: Acquisition of right-of-use assets	2022.12.31
Short-term loans	$ 313,329	408,294	705	-	-	722,328
Short-term bills payable	59,938	(30,000)	-	40	-	29,978
Long-term loans (including long-term loans due within one year)	97,571	(1,714)	-	-	-	95,857
Lease liabilities	3,967	(2,523)	-	-	1,000	2,444
Total liabilities from financing activities	**$ 474,805**	**374,057**	**705**	**40**	**1,000**	**850,607**

	2021.1.1	Cash flows	Reconciliation of non-cash transactions: Effect of changes in exchange rate	Reconciliation of non-cash transactions: Amortization of discounts of bills	Reconciliation of non-cash transactions: Acquisition of right-of-use assets	2021.12.31
Short-term loans	$ 356,510	(41,855)	(1,326)	-	-	313,329
Short-term bills payable	59,946	-	-	(8)	-	59,938
Long-term loans (including long-term loans due within one year)	198,785	(101,214)	-	-	-	97,571
Lease liabilities	5,751	(2,353)	-	-	569	3,967
Total liabilities from financing activities	**$ 620,992**	**(145,422)**	**(1,326)**	**(8)**	**569**	**474,805**

VII. Related Party Transactions

(I) Name and relationship of related parties

The related parties with whom the Company had transactions during the period covered by these financial statements were as follows:

Name of related party	Relationship with the Company
Da Sheng International Investment Co., Ltd.	Other related party of the Company and its chairperson is the Chairperson of the Company
Ren He International Investment Co., Ltd.	Other related party of the Company and its chairperson is a director of the Company
JUNE LAI METAL CO., LTD. (JUNE LAI)	Other related party of the Company and its chairperson is the Chairperson of the Company

(II) Significant transactions with related parties

1. Operating revenue

The amount of processing and sales revenue with related parties was as follows:

		2022	2021
Processing revenue:			
JUNE LAI	$	32,069	41,713
Sales revenue:			
JUNE LAI		3,058	3,306
	$	35,127	45,019

The collection terms for processing revenue and sales revenue from the above related parties are 30 days and 90 days from the monthly cut-off day, respectively, while the collection terms for general customers are 30 to 90 days from the monthly cut-off day.

2. Purchases

The amount of the Company's purchases from related parties was as follows:

		2022	2021
JUNE LAI	$	1,122	1,285

The Company's purchase prices from the above companies were not significantly different from the Company's purchase prices from general vendors. The payment terms are by issuance of notes due 30 days after receiving. For general vendors, their payment terms are not significantly different from those of the related parties, except for the transactions involving letters of credit.

3. Receivables from related parties

The breakdown of the Company's receivables from related parties is as follows:

Account in the financial statements	Type of related party		2022.12.31	2021.12.31
Notes receivable - related parties	JUNE LAI	$	2,938	6,002
Accounts receivable - related parties	JUNE LAI		1,453	5,697
		$	4,391	11,699

Receivables from related parties were not secured by collaterals and no allowance for losses was provided for after evaluation.

4. Payables from related parties

The breakdown of the Company's payables from related parties is as follows:

Account in the financial statements	Type of related party		2022.12.31	2021.12.31
Notes payable - related parties	JUNE LAI	$	-	22
Accounts payable - related parties	JUNE LAI		96	34
		$	96	56

(III) Transactions related to key management

Remuneration for key management included:

		2022	2021
Short-term employee benefits	$	6,783	12,248
Post-employment benefits		-	43
	$	6,783	12,291

VIII. Pledged Assets

Carrying amount of the assets pledged as collaterals was as follows:

Name of asset	Subject asset pledged as collateral		2022.12.31	2021.12.31
Bank deposits and corporate bonds with repurchase agreements (recorded as financial assets at amortized cost)	Short-term loans, short-term bills payable and long-term loans	$	60,899	38,278
Notes receivable (including related parties)	Short-term loans		24,248	26,685
Property, plant and equipment	Short-term loans and long-term loans		809,129	820,774
Total		$	894,276	885,737

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) As of December 31, 2022 and 2021, the Company had unused letters of credit for the purchase of raw materials and machinery and equipment amounting to $9,969 and $64,742, respectively.

(II) As of December 31, 2022 and 2021, the Company's guarantee notes issued for the purchase of raw materials and borrowing lines amounted to $80,000 thousand and $297,200 thousand, respectively.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

Employee benefits, depreciation, depletion and amortization expense by functions are summarized as follows:

Function	2022			2021		
Nature	As operating costs	As operating expenses	Total	As operating costs	As operating expenses	Total
Employee benefits expenses						
Salary expenses	74,379	22,148	96,527	86,368	21,255	107,623
Labor and health insurances expenses	8,709	2,109	10,818	8,517	1,780	10,297
Pension expenses	2,521	930	3,451	2,525	725	3,250
Remuneration for directors	-	6,783	6,783	-	10,153	10,153
Other employee benefits expenses	8,168	1,728	9,896	10,372	2,448	12,820
Depreciation expense	68,066	3,319	71,385	68,341	3,160	71,501
Amortization expense	146	205	351	99	206	305

Additional information on the number of employees and employee benefits expenses for 2022 and 2021 is as follows:

		2022	2021
Number of employees		169	181
Number of directors who were not concurrently employees		6	6
Average employee benefits expenses	$	740	766
Average employee salary expenses	$	592	615
Adjustment to average employee salary expenses		(3.74)%	
Remuneration for supervisors	$	-	213

Information on the Company's salary and remuneration policy (including directors, supervisors, managerial officers and employees) is as follows:

The Company's remuneration for directors and supervisors is based on the attendance rate of directors and supervisors and their contribution and is evaluated and determined with reference to the annual operating performance, the total remuneration paid in the last five years and the salary level of the industry.

The remuneration for managerial officers is evaluated and determined based on the achievement of performance targets. The remuneration for employees is based on their performance appraisal and attendance, and is evaluated and determined based on the annual operating performance.

XIII. Additional Disclosure

(I) Information on Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company should disclose the following information regarding material transactions in 2022:

1. Lending of funds to others: none.
2. Endorsement and guarantee for others: none.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures):

Companies whose marketable securities are held by the Company	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account in the financial statements	The end of the period				Remarks
				Thousands	Carrying amount	Shareholdings percentage	Fair value	
The Company	Fund-Invesco 2023 Maturity Quality Emerging Bonds Fund	—	Financial assets at fair value through profit or loss - current	4	975	- %	975	—
The Company	Corporate bonds with repurchase agreement - Central government bonds 93-3	—	Financial assets at amortized cost - current	-	3,000	- %	3,000	—

4. Cumulative purchases or sales 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 real estate amounting to at least NT$300 million or 20% of the paid-in capital: none.
7. Purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.
9. Engagements in derivative transactions: none.

(II) Information on Investees: none

(III) Information on Investments in Mainland China: none

(IV) Information on Major Shareholders

Unit: Shares

Shares Name of major shareholders	Number of shares held	Shareholdings percentage
Da Sheng International Investment Co., Ltd.	10,756,000	11.03%
Ren He International Investment Co., Ltd.	10,142,000	10.40%
Ching-Hang Lin	9,850,000	10.10%
PROSPERITY DID ENTERPRISE CO., LTD.	9,260,000	9.49%
Lian Cheng Investment Development Co., Ltd.	8,940,000	9.16%
Tai Yi International Investment Co., Ltd.	5,499,000	5.64%
PORATHA INTERNATIONAL CO., LTD.	5,000,000	5.12%

XIV. Segment Information

The Company operates in a single industry and is mainly engaged in the manufacturing and processing of steel wire and steel bars with similar end-use products. The Company's operating decision makers evaluate performance and allocates resources on a company-wide basis and have identified that the Company has only one reportable segment and its segment profit and loss, segment assets and segment liabilities are consistent with the financial statements. Please refer to the balance sheets and statements of comprehensive income for details.

The Company's geographical information is as follows, with revenues classified based on the geographical location of customers and non-current assets classified based on the geographical location of the assets.

Region	2022	2021
Revenue from external customers.		
Taiwan	$ 731,540	1,101,034
China	200,150	191,935
Indonesia	125,229	90,499
Malaysia	44,807	66,311
Others	66,872	76,672
Total	$ 1,168,598	1,526,451

Region	2022.12.31	2021.12.31
Non-current assets:		
Taiwan	$ 1,056,069	1,094,966

Non-current assets include property, plant and equipment, right-of-use assets, prepayments for equipment and other assets, but exclude non-current assets of financial instruments and deferred income tax assets.

There were no customers whose sales revenue accounted for more than 10% of the revenue amount on the statements of comprehensive income in both 2022 and 2021.

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of cash and cash equivalents
December 31, 2022

Unit: Thousands of NTD

Item	Abstract	Amount
Cash	Petty cash and foreign currency cash	$ 62
Bank deposits	Demand deposits	66,456
	Foreign currency deposits	
	USD724,000@30.715	22,241
	RMB1,000@4.4090	4
	Subtotal	88,701
		$ 88,763

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of financial assets at fair value through profit or loss - current
December 31, 2022

Unit: Thousands of NTD

Name of financial instruments	Abstract	Thousands	Face value	Total amount	Interest rate (%)	Acquisition cost	Fair value		Changes in fair value attributable to changes in credit risk	Remarks
							Unit price (NTD)	Total amount		
Invesco 2023 Maturity Quality Emerging Bonds Fund		4	$ -	-	-	1,106	278.760	**975**	-	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of financial assets at amortized cost - current
December 31, 2022

Unit: Thousands of NTD

Name	Abstract	Number of board lots	Face value	Total amount	Interest rate (%)	Carrying amount	Accumulated impairment	Remarks
Demand deposits	Reserve deposits	-	$ -	-	-	49,488	-	
Time deposits	Reserve time deposit (Maturity date 2023/4/29~2023/7/28)	-	-	-	1.01~3.49	8,411	-	
Corporate bonds with repurchase agreement	Repurchase agreement pledged	1	2,600	2,600	0.85	3,000	-	
						$ 60,899	-	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of notes receivable (including related parties)
December 31, 2022

Unit: Thousands of NTD

Name of customer	Abstract	Amount	Remarks
Related party:			
JUNE LAI METAL CO., LTD.	Business	$ 2,938	
Non-related party:			
Company A	Business	9,847	
Company B	〃	3,337	
Company C	〃	2,349	
Others (individual amounts did not exceed 5% of the balance of each account)	〃	27,547	
Subtotal		43,080	
Total		**$ 46,018**	

Schedule of accounts receivable (including related parties)

Name of customer	Abstract	Amount	Remarks
Related party:			
JUNE LAI METAL CO., LTD.	Business	$ 1,453	
Non-related party:			
Company D	Business	19,898	
Company E	〃	11,170	
Company F	〃	10,653	
Company G	〃	8,093	
Others (individual amounts did not exceed 5% of the balance of each account)	〃	94,876	
Subtotal		144,690	
Less: Allowance for losses		66	
Total		**$ 146,077**	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of inventories
December 31, 2022

Unit: Thousands of NTD

Item	Amount: Cost	Amount: Net realizable value	Remarks
Raw materials	$ 578,083	578,083	Net realizable value for market price
Work in process	18,844	18,818	〃
Finished goods	199,578	202,510	〃
Merchandise inventories	28	22	〃
Inventories in transit	7,804	7,804	〃
Subtotal	804,337	807,237	
Less: Allowance for loss on decline in value of inventories	15,000		
	$ 789,337		

Schedule of pre-payments and other current assets

Item	Abstract	Amount	Remarks
Tax overpaid retained for offsetting future tax payable		$ 11,144	
Refundable business tax		3,836	
Supplies inventory		1,948	
Pre-paid expenses		1,118	
Others (individual amounts did not exceed 5% of the balance of each account)		740	
		$ 18,786	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of other non-current assets:
December 31, 2022

Unit: Thousands of NTD

Item	Abstract	Amount	Remarks
Refundable deposits		$ 2,408	
Other assets		972	
		$ 3,380	

Schedule of short-term loans

Type of loans	Description	Balance at the end of the period	Length of the contract	Interest rate range (%)	Financing line	Collateral or guarantee	Remarks
Secured bank loans	First Commercial Bank	$ 417,000	Less than 1 year	2.225~2.375	567,000	Note 1	Note 3
	Shanghai Commercial and Saving Bank	40,000	Less than 1 year	2.285	60,000	Note 2	Note 4
	Bank SinoPac	30,000	Less than 1 year	1.925	30,000	Note 2	
	Yuanta Commercial Bank	20,000	Less than 1 year	2.3	50,000	Note 2	Note 5
	Taipei Fubon Bank	30,000	Less than 1 year	2.345	50,000	Note 2	Note 6
	CTBC Bank	20,000	Less than 1 year	1.85	50,000	Note 2	
	Subtotal	557,000					
Loans under letters of credit	First Commercial Bank	24,475	Less than 1 year	2.1	450,000	Note 1	Note 3
	Hua Nan Commercial Bank	26,303	Less than 1 year	2.338~2.599	60,000	Note 2	
	Taishin International Bank	12,325	Less than 1 year	1.67~1.70	40,000	Note 2	
	Taichung Commercial Bank	42,053	Less than 1 year	2.18~2.21	60,000	Note 2	
	Shanghai Commercial and Saving Bank	16,556	Less than 1 year	2.285	60,000	Note 2	Note 4
	Yuanta Commercial Bank	21,218	Less than 1 year	2.3	50,000	-	Note 5
	Cathay United Bank	4,608	Less than 1 year	1.69	40,000	Note 2	
	Taiwan Cooperative Bank	1,695	Less than 1 year	2.161	40,000	-	
	Taipei Fubon Bank	16,095	Less than 1 year	2.193	50,000	Note 2	Note 6
	Subtotal	165,328					
	Total	$ 722,328					

Note 1: Secured by land, buildings and structures. In addition, the secondary collateral was notes receivable, but these notes were not restricted.
Note 2: Secured by restricted bank deposits.
Note 3: The secured bank loans and loans under letters of credit shared the financing line of $567,000 thousand by First Commercial Bank.
Note 4: The secured bank loans and loans under letters of credit shared the financing line $60,000 thousand by Shanghai Commercial and Saving Bank.
Note 5: The secured bank loans and loans under letters of credit shared the financing line $50,000 thousand by Yuanta Commercial Bank.
Note 6: The secured bank loans and loans under letters of credit shared the financing line $50,000 thousand by Taipei Fubon Bank.

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of short-term bills payable
December 31, 2022

Unit: Thousands of NTD

Item	Guarantee or acceptance institution	Length of the contract	Interest rate range (%)	Amount			Remarks
				Issue amount	Unamortized discount on commercial paper payables	Carrying amount	
Commercial paper payables	Mega Bills Finance Co., Ltd.	Less than 1 year	1.56	$ 30,000	22	29,978	Note 1

Note 1: Secured by corporate bonds with repurchase agreement

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of notes payable
December 31, 2022

Unit: Thousands of NTD

Name of customer	Abstract	Amount		Remarks
Non-related party:				
Company H	Business	$	33	
Company I	〃		30	
		$	**63**	

Schedule of accounts payable (including related parties)

Name of customer	Abstract	Amount		Remarks
Related party:				
JUNE LAI METAL CO., LTD.	Business	$	96	
Non-related party:				
Company J	Business		98,881	
Company K	〃		7,804	
Others (individual amounts did not exceed 5% of the balance of each account)	〃		134	
Subtotal			106,819	
		$	**106,915**	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of other payables
December 31, 2022

Unit: Thousands of NTD

Item	Abstract	Amount
Salaries and bonuses payable		$ 16,386
Commissions payable		1,814
Freights payable		4,575
Profit-sharing remuneration payable for employees		1,243
Profit-sharing remuneration payable for directors		1,864
Prepayments for equipment		1,290
Others		19,976
		$ 47,148

Schedule of other current liabilities

Item	Abstract	Amount	Remarks
Payment in lieu of untaken annual leave		$ 5,469	
Receipts under custody		809	
Others		131	
		$ 6,409	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of long-term loans
December 31, 2022

Unit: Thousands of NTD

Creditor	Borrowing amount	Length of the contract	Interest rate (%)	Collateral or guarantee	Remarks
First Commercial Bank	$ 40,000	2019.12.30~2024.12.30	2.275	Land, buildings and structures	-
Shanghai Commercial and Saving Bank	5,857	2018.06.29~2023.06.15	2.025	Restricted bank deposits and machinery and equipment	-
〃	50,000	2022.10.18~2027.10.18	2.15	〃	
	95,857				
Less: Long-term loans due within one year	47,940				
	$ 47,917				

Schedule of operating revenue
January 1 to December 31, 2022

Item	Quantity (Thousands of kilogram)	Amount	Remarks
Steel bars	16,347	$ 807,824	
Steel wires	6,433	278,734	
Others	487	21,896	
Net sales revenue:	23,267	1,108,454	
Net processing revenue	9,222	60,144	
Net operating revenue	**32,489**	**$ 1,168,598**	

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of operating costs
January 1 to December 31, 2022

Unit: Thousands of NTD

Item	Amount: Subtotal	Amount: Total
Cost of goods sold:		
Direct materials		
Opening inventories (including inventory in transit of $79,041 thousand)	$ 328,052	
Add: Purchases during the period	1,081,246	
Ending inventories (including inventory in transit of $7,804 thousand)	585,887	
Inventory cycle-count losses	19	
Sub-total direct materials	823,392	
Direct labors	61,671	
Manufacturing overheads	177,026	
Manufacturing costs	1,062,089	
Add: Opening WIP inventories	19,738	
Less: Ending WIP inventories	18,844	
Cost of finished goods (F/G)	1,062,983	
Add: Opening F/G inventories	142,926	
Less: Ending F/G inventories	199,578	
Inventory cycle-count losses	56	
Transfer to expenses	51	
Total cost of goods sold of self-manufactured products		1,006,224
Cost of goods sold of purchased goods		
Beginning inventories	509	
Add: Purchases during the period	2,675	
Less: Ending inventories	28	
Total cost of goods sold of purchased goods		3,156
Total cost of goods sold		1,009,380
Unallocated manufacturing overheads		27,881
Revenue from scraps		(3,721)
Gain on reversal of decline in value of inventories		(1,000)
Net inventory cycle-count losses		75
Total operating costs		$ 1,032,615

CHIH LIEN INDUSTRIAL CO., LTD.
Schedule of selling expenses
January 1 to December 31, 2022

Unit: Thousands of NTD

Item	Abstract	Amount	Remarks
Salary expenses		$ 7,640	
Freights and export expenses		23,081	
Commissions		4,105	
Other expenses		3,660	
		$ 38,486	

Schedule of administrative expenses

Item	Abstract	Amount	Remarks
Salary expenses		$ 16,428	
Profit-sharing remuneration for directors		1,864	
Service expenses		2,384	
Depreciation		3,027	
Other expenses		10,975	
		$ 34,678	

Please refer to Note 6(5) to the financial statements for the schedule of the changes in property, plant and equipment.
Please refer to Note 6(5) to the financial statements for the schedule of changes in accumulated depreciation of property, plant and equipment.
Please refer to Note 6(5) to the financial statements for the schedule of changes in accumulated impairment of property, plant and equipment.
Please refer to Note 6(6) to the financial statements for the schedule of the changes in right-of-use assets.
Please refer to Note 6(15) to the financial statements for the schedule of other income.