Stock Code:2906

COLLINS CO., LTD.

Parent Company Only Financial Statements

with Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

Address: 6F, No.201, Dunhua N. Rd., Songshan Dist.,Taipei, Taiwan (R.O.C)
Telephone: (02)2712-5311

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安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of COLLINS CO., LTD.:

Opinion

We have audited the parent company only financial statements of COLLINS CO., LTD. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgements, the key audit matters we communicated in the auditors' report was as follows:

- Inventory valuation

  Please refer to note 4(g) "Inventories" for accounting policy, note 5 for accounting assumption, judgements and estimation uncertainty of inventory and note 6(e) for the disclosure of the valuation of inventory to the parent company only financial statements.

  Description of key audit matter:

  The main inventory of the Company is apparel. Selling price in the fashion industry can be extremely volatile due to the significant change of customer demand deriving from trends, in addition to the prevalence of online sales, which has a significant impact on physical store sales that may result in a risk of having the carrying value of inventory to exceed its net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation; performing retrospective review by considering the recent selling price and subsequent inventory movement to evaluate the reasonableness of impairment loss of slow-moving inventories.

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

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 Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming- Hung Huang and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

COLLINS CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets :				
1100	Cash and cash equivalents (note 6(a))	$ 86,130	2	26,319	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	10,807	-	29,832	1
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	240,418	5	230,673	5
1150	Notes receivable, net (note 6(d))	124	-	767	-
1170	Accounts receivable, net (note 6(d))	342,406	7	309,268	7
1210	Other receivables from related parties (note 7)	10,825	-	10,736	-
1220	Current tax assets	-	-	1,695	-
1300	Inventories (note 6(e))	220,260	4	225,303	5
1476	Other current financial assets	11,931	-	25,471	1
1479	Other current assets	37,569	1	27,044	1
		960,470	19	887,108	21
	Non-current assets :				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	584,223	11	611,923	14
1550	Investments accounted for using equity method (notes 6(f) and 7)	1,708,900	33	1,513,822	33
1600	Property, plant and equipment (notes 6(g) and 8)	1,839,651	35	1,292,913	29
1755	Right-of-use assets (note 6(h))	47,154	1	86,834	2
1780	Intangible assets (note 6(i))	4,933	-	-	-
1840	Deferred tax assets (note 6(m))	45,236	1	47,548	1
1990	Other non-current assets (note 6(d))	23,119	-	18,609	-
		4,253,216	81	3,571,649	79
	Total assets	**$ 5,213,686**	**100**	**4,458,757**	**100**

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities :				
2100	Short-term loans (note 6(j))	$ 820,000	16	772,697	17
2130	Current contract liabilities (note 6(p))	2,799	-	890	-
2170	Accounts payable	39,421	1	34,288	1
2230	Current tax liabilities	2,145	-	-	-
2280	Current lease liabilities (note 6(k))	36,707	1	53,697	1
2300	Other current liabilities (notes 6(q) and 7)	146,928	3	113,931	3
		1,048,000	21	975,503	22
	Non-Current liabilities :				
2540	Long-term loans (notes 6(j) and 8)	910,000	17	230,000	5
2570	Deferred tax liabilities (note 6(m))	116,602	2	116,192	3
2580	Non-current lease liabilities (note 6(k))	9,841	-	33,154	1
2645	Guarantee deposits received	347	-	1,783	-
2600	Other non-current liabilities (note 6(l))	26,121	1	43,232	1
		1,062,911	20	424,361	10
	Total liabilities	2,110,911	41	1,399,864	32
	Equity (notes 6(c), (f), (l) and (n)):				
3110	Ordinary share	2,091,111	40	2,091,111	46
3200	Capital surplus	124,829	2	116,156	3
	Retained earnings :				
3310	Legal reserve	632,621	12	623,382	14
3320	Special reserve	220,615	4	220,615	5
3350	Unappropriated retained earnings	164,679	3	93,253	2
		1,017,915	19	937,250	21
	Other equity interests:				
3410	Exchange differences on translation of foreign financial statements	(74,742)	(1)	(115,501)	(3)
3420	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income	(56,338)	(1)	29,877	1
		(131,080)	(2)	(85,624)	(2)
	Total equity	3,102,775	59	3,058,893	68
	Total liabilities and equity	**$ 5,213,686**	**100**	**4,458,757**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(p))**	$ 1,344,554	100	1,066,355	100
5000	**Operating costs (note 6(e))**	939,259	70	736,790	69
	Gross profit from operations	405,295	30	329,565	31
	Operating expenses (notes 6(d), (g), (h), (i), (k), (l), (q), 7 and 12):				
6100	Selling expenses	338,209	25	292,423	27
6200	Administrative expenses	141,701	11	125,792	12
6450	Expected credit loss	8,920	1	1,540	-
	Total operating expenses	488,830	37	419,755	39
	Net operating loss	(83,535)	(7)	(90,190)	(8)
	Non-operating income and expenses (notes 6(f), (k), (r) and 7):				
7010	Other income	81,753	6	100,572	9
7020	Other gains and losses	7,990	1	12,527	1
7050	Finance costs	(11,825)	(1)	(7,989)	(1)
7070	Share of profit or loss of subsidiaries and associates accounted for using equity method	142,002	11	81,358	8
7100	Interest income	82	-	75	-
	Total non-operating income and expenses	220,002	17	186,543	17
	Profit before income tax	136,467	10	96,353	9
7951	Less: income tax expenses (note 6(m))	6,763	1	5,519	1
	Profit	129,704	9	90,834	8
8300	**Other comprehensive income (loss) (notes 6(f), (l) and (n)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	7,768	1	(1,728)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(60,881)	(5)	112,864	11
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	1,503	-	(2,546)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(51,610)	(4)	108,590	11
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	40,759	3	(11,313)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		40,759	3	(11,313)	(1)
8300	**Other comprehensive income (after tax)**	(10,851)	(1)	97,277	10
8500	**Total comprehensive income**	**$ 118,853**	**8**	**188,111**	**18**
9750	**Basic earnings per share (New Taiwan dollars) (note 6(o))**	**$**	**0.62**		**0.43**
9850	**Diluted earnings per share (New Taiwan dollars) (note 6(o))**	**$**	**0.62**		**0.43**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2021	$ 2,091,111	98,148	627,940	220,615	59,036	907,591	(104,188)	(77,155)	2,915,507
Profit	-	-	-	-	90,834	90,834	-	-	90,834
Other comprehensive income	-	-	-	-	(4,274)	(4,274)	(11,313)	112,864	97,277
Total comprehensive income	-	-	-	-	86,560	86,560	(11,313)	112,864	188,111
Appropriation and distribution:									
Legal reserve	-	-	5,898	-	(5,898)	-	-	-	-
Cash dividends	-	-	(10,456)	-	(52,277)	(62,733)	-	-	(62,733)
Changes in ownership interests in subsidiaries	-	18,008	-	-	-	-	-	-	18,008
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	5,832	5,832	-	(5,832)	-
Balance at December 31, 2021	2,091,111	116,156	623,382	220,615	93,253	937,250	(115,501)	29,877	3,058,893
Profit	-	-	-	-	129,704	129,704	-	-	129,704
Other comprehensive income	-	-	-	-	9,271	9,271	40,759	(60,881)	(10,851)
Total comprehensive income	-	-	-	-	138,975	138,975	40,759	(60,881)	118,853
Appropriation and distribution:									
Legal reserve	-	-	9,239	-	(9,239)	-	-	-	-
Cash dividends	-	-	-	-	(83,644)	(83,644)	-	-	(83,644)
Changes in ownership interests in subsidiaries and associates	-	8,673	-	-	-	-	-	-	8,673
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	25,334	25,334	-	(25,334)	-
Balance at December 31, 2022	**$ 2,091,111**	**124,829**	**632,621**	**220,615**	**164,679**	**1,017,915**	**(74,742)**	**(56,338)**	**3,102,775**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 136,467	96,353
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	73,254	81,142
Amortization expense	623	204
Expected credit loss	8,920	1,540
Net loss (profit) on financial assets at fair value through profit or loss	5,462	(13,210)
Finance cost	11,825	7,989
Interest income	(82)	(75)
Dividend income	(35,208)	(52,182)
Share of profit of subsidiaries and associates accounted for using equity method	(142,002)	(81,358)
Gain on disposal of property, plant and equipment	(406)	(3)
Net gains on lease modification	(2,320)	(2,271)
Others	(150)	(3,679)
Total adjustments to reconcile profit	(80,084)	(61,903)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	13,563	(16,622)
Notes receivable	649	459
Accounts receivable	(33,676)	(116,193)
Inventories	5,043	(41,195)
Other current assets	(10,525)	(9,448)
Other financial assets	2,161	(2,662)
Total changes in operating assets	(22,785)	(185,661)
Changes in operating liabilities:		
Contract liabilities	1,909	(2,530)
Notes payable	-	(59)
Accounts payable	5,133	7,791
Other current liabilities	30,355	35,709
Net defined benefit liability	(9,343)	(5,551)
Total changes in operating liabilities	28,054	35,360
Total adjustments	5,269	(150,301)
Cash inflow (outflow) generated from operations	61,652	(115,851)
Interest received	82	75
Dividends received	141,976	150,628
Interest paid	(10,970)	(7,674)
Income taxes paid	(201)	(5,820)
Net cash flows from operating activities	192,539	21,358
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(88,995)	(162,389)
Proceeds from disposal of financial assets at fair value through other comprehensive income	43,026	31,430
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,043	4,411
Acquisition of investments accounted for using equity method	(97,530)	-
Proceeds from disposal of financial assets at amortised cost	-	52,624
Acquisition of property, plant and equipment	(560,903)	(183,377)
Proceeds from disposal of property, plant and equipment	410	3
Decrease in refundable deposits	16	2,506
Increase in other receivables from related parties	(89)	(236)
Acquisition of intangible assets	(5,203)	-
Increase in other non-current assets	(13,267)	(304)
Net cash used in investing activities	(719,492)	(255,332)
Cash flows from (used in) financing activities:		
Increase in short-term loans	5,278,958	2,844,339
Repayments in short-term loans	(5,231,655)	(2,712,175)
Increase in long-term loans	910,000	230,000
Repayments of long-term loan	(230,000)	-
Increase (decrease) in guarantee deposits received	351	(1,069)
Payment of lease liabilities	(57,246)	(58,687)
Cash dividends paid	(83,644)	(62,733)
Net cash flows from financing activities	586,764	239,675
Net increase in cash and cash equivalents	59,811	5,701
Cash and cash equivalents at beginning of period	26,319	20,618
Cash and cash equivalents at end of period	$ **86,130**	**26,319**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

COLLINS CO., LTD.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

COLLINS CO., LTD. (the "Company") was established in May 1969. In the initial stage, the Company mainly operated building materials and related processing businesses. In 1971, the Company altered its direction of business practice plan by setting up a division in the United States to actively promote the products of SME in Taiwan. Collins Co. Ltd was approved by the government as a Major trading company in March 1978. It has set up offices in Hong Kong, Manila, Bangkok and other regions and gradually established foreign business information network to promote its business.

The Company mainly engaged in import and export trading and clothing retail.

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

These parent company only financial statements were authorized for issue by the Board of Directors on March 24, 2023.

(3) New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

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

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

(b) Basis of preparation

(i) Basis of measurement

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

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

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

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(p).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into NTD at the exchange rates at the dates of the transactions.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, wherein differences are recognized in other comprehensive income.

(ii) Foreign operations

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

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

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the foreign currency gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

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

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

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

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

Dividend income from equity investments is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the Ex-dividend date.

(Continued)

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables from related parties, guarantee deposits paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ELC, except for the following which are measured as 12-month ECL:

· Bank balances, other receivables from related parties, other financial assets, and guarantee deposit paid for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

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

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

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

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

5) Derecognition of financial assets

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

(ii) Financial liabilities

1) Other financial liabilities

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

2) Derecognition of financial liabilities

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

(Continued)

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

3) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their present location and condition. Inventories are subsequently written down to net realizable value item by item.

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

(h) Investment in associates

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

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

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

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

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

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

(i) Investment in subsidiaries

When preparing the parent company only financial statements, the investments in subsidiaries, which are controlled by the Company, are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent company only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners’ equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its shares in the changes in its equity of subsidiaries.

Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

(Continued)

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Notes to the Parent Company Only Financial Statements

Land is not depreciated.

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

1)	Buildings and structures	5～60 years
2)	Leased assets	5～37 years
3)	Operating and Other equipment	1～9 years

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

(k) Leases

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

(i) As a lessee

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

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

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

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

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

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

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the assessment on whether it will have an option to exercise a purchase, or

— there is a change in the assessment on the lease term as to whether it will be extended terminated; or

— there is any lease modifications

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including office, equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘rent income’.

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(l) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

1) Computer software 1~6 years

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

(m) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs).

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

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company is engaged in import and export trading and clothing retail. The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(o) Government grants

The Company recognizes an unconditional government grant in profit or loss as expense reduction when the grant becomes receivable. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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

(iii) Short-term employee benefits

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

(q) Income taxes

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(r) Earnings per share

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

(s) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent company only financial statements.

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

The preparation of the parent company only financial statements in conformity with the Regulations requires the management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Evaluation of inventory

The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined by future products demand within a specific time horizon therefore changes in market conditions may have a material impact on the estimation of the net realizable value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash	$ 1,396	1,392
Cash in bank	84,734	24,927
Cash and cash equivalents in the parent company only statement of cash flows	**$ 86,130**	**26,319**

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

(i) Details as below:

	December 31, 2022	December 31, 2021
Held-for-trading financial assets:		
Non-derivative financial assets		
Listed shares	**$ 10,807**	**29,832**

(ii) As of December 31, 2022 and 2021, above financial assets were not pledged as collateral.

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

		December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:			
Domestic listed shares	$	439,419	487,004
Domestic and foreign unlisted shares		385,222	355,592
Total	$	**824,641**	**842,596**
Current	$	240,418	230,673
Non-current		584,223	611,923
Total	$	**824,641**	**842,596**

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

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

The Company holds 25% common shares of TUNGYA Collins (TUNGYA). However, the Company's management does not have significant influence over TUNGYA and holds no seat in its board of directors; it also does not have a representative in those charged with governance.

The Company sold parts of the investment to adjust its investment portfolio, so in which the profit or loss of the transaction did not have an impact on its operation. In 2022 and 2021, the disposal prices were $43,026 and $31,430, respectively, and the gains of disposals were $25,334 and $5,832, respectively. The realized gains were reclassified from other equity to retained earnings. In addition, the amount of capital reduction refunds was $3,043 and $4,411 in 2022 and 2021, respectively.

(ii) For market risk, please refer to note 6(s).

(iii) As of December 31, 2022 and 2021, above financial assets were not pledged as collateral.

(d) Notes and accounts receivable

		December 31, 2022	December 31, 2021
Notes receivable	$	125	774
Accounts receivable		348,536	314,860
Less: Loss allowance		(6,131)	(5,599)
		342,530	310,035
Overdue receivables (included in other non-current assets)		114,106	102,830
Less: Loss allowance		(114,106)	(102,830)
		-	-
	$	**342,530**	**310,035**

(Continued)

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

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 297,901	0.65%	1,923
1 to 90 days past due	48,132	5.11%	2,457
90 to 180 days past due	776	42.77%	332
More than 180 days past due	1,852	76.63%	1,419
Total	**$ 348,661**		**6,131**

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 252,361	0.05%	142
1 to 90 days past due	46,728	0.17%	81
90 to 180 days past due	10,192	10.55%	1,075
More than 180 days past due	6,353	67.70%	4,301
Total	**$ 315,634**		**5,599**

On October 15, 2018, the Company's client Sears Holding Corp. filed for chapter 11 Bankruptcy. For the years ended December 31, 2022 and 2021, the Company has recognized USD3,435 thousand as allowance of doubtful accounts (classified under overdue receivables); the Company continuously follows the reorganization situation to secure the Company's right.

The movements in the loss allowance provisions for notes and accounts receivable, and overdue receivables were as follows:

	2022	**2021**
Balance at January 1	$ 108,429	109,859
Impairment loss recognized	8,920	1,540
Foreign exchange losses	2,888	(2,970)
Balance at December 31	**$ 120,237**	**108,429**

The above financial assets were not discounted and pledged.

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(e) Inventories

	December 31, 2022	December 31, 2021
Commodity	$ 220,260	225,303

Except cost of goods sold and inventories recognized as expenses, the remaining gain or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2022	2021
Write-downs (reversal of write-downs) of inventories	$ (5,912)	(1,707)
Losses (gains) on inventory count	143	263
Total	$ (5,769)	(1,444)

Inventories of the Company were not pledged.

(f) Investments accounted for using equity method

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

	December 31, 2022	December 31, 2021
Subsidiaries	$ 1,596,341	1,485,890
Associates	112,559	27,932
	$ 1,708,900	1,513,822

(ii) Subsidiaries

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

(iii) Associates

In April 2022, the Company invested $4,466 resulting in 26.22% of voting rights of Easting Biotechnology Co., Ltd. and was the first major shareholder. But the shares of Easting Biotechnology Co., Ltd. was not concentrated on specific shareholders, the Company failed to obtain more than half of their directors, and also failed to hold more than half of ownership interest with voting rights. Therefore, the Company only has significant influence, but not control on Easting Biotechnology Co., Ltd.

In June 2022, the Company invested $64,000 to acquire 16% of shares of Sanho Healthcare Co., Ltd. But the Company failed to obtain more than half of their directors and has no ability to determine their financial and operating policies. Therefore, the Company only has significant influence, but not control on Sanho Healthcare Co., Ltd.

A summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. These financial information are included in the parent company only financial statements.

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	December 31, 2022	December 31, 2021
Carrying amount of individually insignificant associates' equity	$ 112,559	27,932

	2022	2021
Attributable to the Company:		
Loss from continuing operations	$ (6,100)	(28,189)
Other comprehensive income	(8)	4
Comprehensive income	$ (6,108)	(28,185)

The aforementioned investments accounted for using equity method were not pledged.

(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021 were as follows:

	Land	Buildings and structures	Leased assets	Operating and other equipment	Construction in process	Total
Cost:						
Balance on January 1, 2022	$ 1,017,975	54,875	71,717	152,102	187,865	1,484,534
Additions	-	3,132	-	10,794	546,977	560,903
Reclassification (Note)	192,653	274,732	15,787	-	(483,172)	-
Disposals	-	-	-	(5,133)	-	(5,133)
Balance on December 31, 2022	$ 1,210,628	332,739	87,504	157,763	251,670	2,040,304
Balance on January 1, 2021	$ 1,017,975	54,875	71,403	153,255	-	1,297,508
Additions	-	-	314	5,633	177,430	183,377
Reclassification (Note)	-	-	-	-	10,435	10,435
Disposals	-	-	-	(6,786)	-	(6,786)
Balance on December 31, 2021	$ 1,017,975	54,875	71,717	152,102	187,865	1,484,534
Accumulated depreciation:						
Balance on January 1, 2022	$ -	41,325	10,662	139,634	-	191,621
Depreciation	-	2,003	2,012	10,146	-	14,161
Disposals	-	-	-	(5,129)	-	(5,129)
Balance on December 31, 2022	$ -	43,328	12,674	144,651	-	200,653
Balance on January 1, 2021	$ -	40,536	8,766	132,685	-	181,987
Depreciation	-	789	1,896	13,735	-	16,420
Disposals	-	-	-	(6,786)	-	(6,786)
Balance on December 31, 2021	$ -	41,325	10,662	139,634	-	191,621
Carrying amounts:						
Balance on December 31, 2022	$ 1,210,628	289,411	74,830	13,112	251,670	1,839,651
Balance on January 1, 2021	$ 1,017,975	14,339	62,637	20,570	-	1,115,521
Balance on December 31, 2021	$ 1,017,975	13,550	61,055	12,468	187,865	1,292,913

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(Note): Reclassifications are mainly transferring from prepayment for equipment and construction in process.

The property, plant and equipment of the Company had been pledged as collateral for loans, please refer to note 8.

(i) The Company purchased from its non-related parties the land and buildings located at 21., No.95, Sec.1, Xintai 5th Rd., Xizhi Dist., New Taipei City, including 24 parking spaces, at a transaction price of $491,240, for its operation and office use. As of December 31, 2022, the Company had fully paid the above amount, which had been reclassified from construction in progress to land and buildings.

(ii) For the year ended December 31, 2022, the Company capitalized the interest expenses amounting to $3,739. The ranges of the monthly interest rates used for capitalization calculation were 0.12%~0.13%. There was no such transaction for the year ended December 31, 2021.

(h) Right-of-assets

The Company leases buildings and structures. The movements of right-of-use assets were as follows:

		Buildings and structures
Cost:		
Balance of January 1, 2022	$	145,232
Additions		63,944
Disposals		(137,127)
Balance of December 31, 2022	**$**	**72,049**
Balance of January 1, 2021	$	182,883
Additions		78,715
Disposals		(116,366)
Balance of December 31, 2021	**$**	**145,232**
Accumulated depreciation:		
Balance of January 1, 2022	$	58,398
Depreciation		59,093
Disposals		(92,596)
Balance of December 31, 2022	**$**	**24,895**
Balance of January 1, 2021	$	37,352
Depreciation		64,722
Disposals		(43,676)
Balance of December 31, 2021	**$**	**58,398**
Carrying amount:		
Balance of December 31, 2022	**$**	**47,154**
Balance of January 1, 2021	**$**	**145,531**
Balance of December 31, 2021	**$**	**86,834**

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(i) Intangibl assets

		Computer Software
Costs:		
Balance on January 1, 2022	$	-
Additions		5,203
Reclassification (Note)		1,085
Balance on December 31, 2022	$	6,288
Accumulated depreciation:		
Balance on January 1, 2022	$	-
Amortization		623
Reclassification (Note)		732
Balance on December 31, 2022	$	1,355
Carrying amount:		
Balance on January 1, 2022	$	-
Balance on December 31, 2022	$	4,933

(Note): Reclassifications are transferring from other non-current assets.

(j) Bank loans

(i) Short-term loans

The details of the Company for short-term loans were as follows:

	December 31, 2022			
	Currency	Interest rate collar		Amount
Unsecured bank loans	NTD	1.27%~1.79%	$	820,000
Unused credit lines			$	1,755,004

	December 31, 2021			
	Currency	Interest rate collar		Amount
Unsecured bank loans	NTD	0.56%~1.2%	$	772,697
Unused credit lines			$	1,671,738

(ii) Long-term loans

The details of the Company for long-term loans were as follows:

	December 31, 2022				
	Currency	Interest rate collar	Expiration year		Amount
Unsecured bank loans	NTD	1.91%~2.10%	2024~2025	$	520,000
Secured bank loans	NTD	1.675%	2042		390,000
Less: current portion					-
Total				$	910,000

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	December 31, 2022				
	Currency	**Interest rate collar**	**Expiration year**		**Amount**
Unsecured bank loans	NTD	1.15%~1.2%	2023	$	230,000
Less: current portion					-
Total				$	**230,000**

The Company has pledged the assets as collateral for bank loans, please refer to note 8.

(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 36,707	53,697
Non-current	$ 9,841	33,154

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	$ 881	1,554
Variable lease payments not included in the measurement of lease liabilities	$ 6,769	5,608
Expenses relating to short-term leases	$ 1,124	1,300
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 1,449	1,154
COVID-19-related rent concessions (recognized as deduction of depreciation expenses)	$ 150	3,679

The amounts recognized in the statement of cash flows for the Company were as follows:

	2022	2021
Total cash outflow for leases	$ 67,319	64,624

(i) Real estate leases

The Company leases buildings and structures for its warehouse and retail stores. The leases of warehouse and retail stores typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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(ii) Other leases

The Company leases transportation equipment with lease terms of 4 years.

The Company leases office and equipment on short-term leases or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefit plans

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$ 77,021	96,958
Fair value of plan assets	(50,900)	(53,726)
Net defined benefit liabilities	**$ 26,121**	**43,232**

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

1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to $50,900 and $53,726 as of December 31, 2022 and 2021, respectively. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2022 and 2021, the movements in the present value of the defined benefit obligations for the Company were as follows:

	2022	2021
Defined benefit obligations at January 1	$ 96,958	98,875
Current service costs and interest cost	665	657
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	(3,597)	2,394
Benefits paid	(17,005)	(4,968)
Defined benefit obligations at December 31	**$ 77,021**	**96,958**

3) Movements of defined benefit plan assets

For the years ended December 31, 2022 and 2021, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	2022	2021
Fair value of plan assets at January 1	$ 53,726	51,820
Return on planned assets	320	292
Remeasurements of the net defined benefit liabilities (assets):		
—Actuarial gain or loss arising from financial assumptions	4,171	666
Contributions paid by the employer	1,007	948
Benefits paid by the plan	(8,324)	-
Fair value of plan assets at December 31	**$ 50,900**	**53,726**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Current service costs	$ 78	74
Net interest on the net defined benefit liabilities	267	291
	$ 345	**365**

	2022	2021
Administrative expenses	**$ 345**	**365**

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5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income:

The Company's remeasurement of the net defined benefit liabilities recognized in other comprehensive income was as follows:

		2022	2021
Accumulated balance as of January 1	$	16,295	14,567
Recognition in the current period		(7,768)	1,728
Accumulated balance as of December 31	**$**	**8,527**	**16,295**

6) Actuarial assumptions

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

	December 31, 2022	December 31, 2021
Discount rate	1.75 %	0.625 %
Future salary increase rate	1.50 %	1.50 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $1,032.

For 2022 and 2021, the weighted average lifetime of the defined benefits plans are 11.37 years and 11.52 years, respectively.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company utilizes judgments and estimates to determine relevant actuarial assumptions set on the reporting date, including discount rates, employee turnover rates, and future salary increasing rates, wherein these actuarial assumptions may have a significant impact on the calculation of the defined benefit obligations.

As of December 31, 2022 and 2021, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

		Influences of defined benefit obligations	
		Increase	Decrease
December 31, 2022			
Discount rate decrease (increase) by 0.25%	$	1,497	(1,446)
Future salary increasing rate increase (decrease) by 0.25%		1,457	(1,416)
December 31, 2021			
Discount rate decrease (increase) by 0.25%	$	1,909	(1,838)
Future salary increasing rate increase (decrease) by0.25%		1,840	(1,790)

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

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Company set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of Labor Insurance without the payment of additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $3,407 and $3,226 for the years ended December 31, 2022 and 2021, respectively.

(m) Income taxes

(i) Income tax expense

The components of income tax expense for the ended December 31, 2022 and 2021 were as follows:

	2022	2021
Current tax expense		
Current period	$ 4,041	3,743
Deferred tax expense		
Origination and reversal of temporary differences	2,722	1,776
Income tax expense	**$ 6,763**	**5,519**

For the years ended December 31, 2022 and 2021, there were no income tax expense recognized in other comprehensive income.

Reconciliations of income tax and profit before tax for 2022 and 2021 were as follows:

	2022	2021
Profit excluding income tax	**$ 136,467**	**96,353**
Income tax using the Company's domestic tax rate	$ 27,293	19,271
Permanent differences	(17,089)	(6,193)
Non-deductible expense	1,907	3,766
Income basic tax	2,334	-
Change in temporary differences	(7,482)	(11,302)
Others	(200)	(23)
Income tax expense	**$ 6,763**	**5,519**

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. Details are as follows:

	December 31, 2022	December 31, 2021
Aggregate amount of temporary differences related to investments in subsidiaries	$ 262,624	239,424

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

Deferred Tax Assets:

	Unrealized loss on inventories	Defined benefit obligation	Unused tax losses	Allowance of doubtful accounts	Others	Total
Balance at January 1, 2022	$ 11,626	2,034	11,650	21,360	878	47,548
Recognized in profit or loss	(1,182)	(2,016)	(1,175)	1,762	299	(2,312)
Balance at December 31, 2022	**$ 10,444**	**18**	**10,475**	**23,122**	**1,177**	**45,236**
Balance at January 1, 2021	$ 11,967	3,295	11,650	21,355	1,082	49,349
Recognized in profit or loss	(341)	(1,261)	-	5	(204)	(1,801)
Balance at December 31, 2021	**$ 11,626**	**2,034**	**11,650**	**21,360**	**878**	**47,548**

Deferred Tax Liabilities:

	Reserve for land value increment tax	Share of gain or loss of subsidiaries accounted for using equity method	Total
Balance at January 1, 2022	$ (107,318)	(8,874)	(116,192)
Recognized in profit or loss	-	(410)	(410)
Balance at December 31, 2022	**$ (107,318)**	**(9,284)**	**(116,602)**
Balance at January 1, 2021	$ (107,318)	(8,899)	(116,217)
Recognized in profit or loss	-	25	25
Balance at December 31, 2021	**$ (107,318)**	**(8,874)**	**(116,192)**

(iii) The Company's tax returns for all years through 2020 were assessed by tax authorities.

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(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, the amounts of authorized ordinary shares were both \$4,900,000 with par value of NT\$10 per share. The total issued shares amounted to 209,111 thousands. All issued shares were paid up upon issuance.

(ii) Capital surplus

Balances of capital surplus as the reporting dates were as follows:

		December 31, 2022	December 31, 2021
Transaction of treasury share	$	31,084	31,084
Dividends paid to subsidiaries		42,608	42,608
Changes in ownership interests in subsidiaries		51,137	42,464
Total	**$**	**124,829**	**116,156**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve (except when legal reserve equals to the Company's paid-in capital), settling aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

The earnings distribution can be either in cash or by stock dividends, wherein the cash dividends shall not be less than 10% of total dividends.

1) Legal reserve

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

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2) Special reserve

On the initial adoption of IFRSs, the Company should appropriate to a special reserve with amounts the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. At the transition date, the aforementioned unrealized revaluation increment and the cumulative translation differences amounted to $219,750, and the increase in retained earnings due to the initial adoption of IFRSs was $287,553. The Company accordingly appropriated its special reserve of $219,750 accordingly, of which may be reversed in proportion to the usage, disposal or reclassification of the related assets, and thereafter distributed.

As of December 31, 2022 and 2021, the balances of special reserve were both $220,615.

According to the above-mentioned regulation, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2021 and 2020 was decided by the resolution adopted, at the general meeting of shareholders held on June 15, 2022 and July 7, 2021 respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share (NT$)	**Total amount**	**Amount per share (NT$)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.40	83,644	0.30	62,733

On March 24, 2023, the Company's Board of Directors' meeting resolved to appropriate the earnings of 2022. These earnings were appropriated as follows:

	2022	
	Amount per share (NT$)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.60	125,467

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(iv) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2022	$ (115,501)	29,877	(85,624)
Exchange differences on translation of foreign financial statements	40,759	-	40,759
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(60,881)	(60,881)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(25,334)	(25,334)
Balance at December 31, 2022	**$ (74,742)**	**(56,338)**	**(131,080)**
Balance at January 1, 2021	$ (104,188)	(77,155)	(181,343)
Exchange differences on translation of foreign financial statements	(11,313)	-	(11,313)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	112,864	112,864
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(5,832)	(5,832)
Balance at December 31, 2021	**$ (115,501)**	**29,877**	**(85,624)**

(o) Earnings per share

The calculation of basic and diluted earnings per share were as follow:

(i) Basic earnings per share

Basic earnings per share	**2022**	**2021**
Profit attributable to ordinary shareholders of the Company	**$ 129,704**	**90,834**
Weighted average number of ordinary shares (thousand)	**209,111**	**209,111**
Basic earnings per share (NTD)	**$ 0.62**	**0.43**

(ii) Diluted earnings per share

Diluted earnings per share	**2022**	**2021**
Profit attributable to ordinary shareholders of the Company (diluted)	**$ 129,704**	**90,834**
Weighted average number of ordinary shares (basic) (thousand)	209,111	209,111
Effect on dilutive potential ordinary shares		
- Employee remuneration (thousand)	262	217
Weighted average number of ordinary shares (diluted) (thousand)	**209,373**	**209,328**
Diluted earnings per share (NTD)	**$ 0.62**	**0.43**

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(p) Revenue from contracts with customers

(i) Details of revenue

	2022		
	Department of trading	Department of fashion	Total
Primary geographical markets:			
Taiwan	$ -	475,920	475,920
America	414,340	-	414,340
Other America countries	454,294	-	454,294
	$ 868,634	475,920	1,344,554

	2021		
	Department of trading	Department of fashion	Total
Primary geographical markets:			
Taiwan	$ -	408,275	408,275
America	273,366	-	273,366
Other America countries	384,714	-	384,714
	$ 658,080	408,275	1,066,355

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities- sale of goods	$ 2,799	890	3,420

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

The amounts of revenue recognized for the years ended December 31, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were $5 and $1,623, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(q) Remunerations to employees and directors

In accordance with the articles of incorporation the Company should contribute 3% of the profit as employee compensation and less than 3% as directors remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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For the years ended December 31, 2022 and 2021, the Company estimated its employee compensation amounting to $4,355 and $3,075, and directors remuneration amounting to $4,355 and $3,075, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2022 and 2021. Related information would be available at the Market Observation Post System website. The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2022 and 2021. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(r) Non-operating income and expenses

(i) Interest income

	2022	2021
Interest income	$ **82**	**75**

(ii) Other income

	2022	2021
Dividend income	$ 35,208	52,182
Rent income	15,042	18,932
Service income from related parties	22,188	21,678
Government grants	-	4,720
Others	9,315	3,060
	$ **81,753**	**100,572**

(iii) Other gains and losses

	2022	2021
Foreign exchange gains or losses, net	$ 11,239	(2,363)
Losses (gains) on financial assets at fair value through profit or loss	(5,462)	13,210
Other income	1,807	1,677
Gains on disposals of property, plant and equipment	406	3
	$ **7,990**	**12,527**

(iv) Finance costs

	2022	2021
Interest expense - bank loan	$ (10,944)	(6,435)
Interest expense - lease liabilities	(881)	(1,554)
	$ **(11,825)**	**(7,989)**

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(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The concentration of credit risk occurs when the transactions of financial commodity are mainly dealt with individual counterparty, or such transactions are not concentrated in individual counterparty whereas the counterparty engages in similar business activities and has similar credit characteristics. The Company's accounts were concentrated in an individual counterparty as follows:

	Amount	% of the Company's accounts receivable
December 31, 2022		
Company T	$ 201,789	59
Company D	50,638	15
	$ 252,427	**74**
December 31, 2021		
Company T	$ 150,746	49
Company D	54,644	17
	$ 205,390	**66**

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term loans	$ 820,000	820,000	820,000	-	-	-
Long-term loans	910,000	910,000	-	220,000	300,000	390,000
Lease liabilities	46,548	46,548	36,707	9,453	388	-
Accounts payables	39,421	39,421	39,421	-	-	-
Other payables	122,966	122,966	122,966	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	2,705	2,705	2,358	-	347	-
	$ 1,941,640	**1,941,640**	**1,021,452**	**229,453**	**300,735**	**390,000**

(Continued)

		Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2021							
Non-derivative financial liabilities							
Short-term loans	$	772,697	772,697	772,697	-	-	-
Long-term loans		230,000	230,000	-	230,000	-	-
Lease liabilities		86,851	86,851	53,697	28,569	4,585	-
Accounts payables		34,288	34,288	34,288	-	-	-
Other payables		90,384	90,384	90,384	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)		2,355	2,355	235	1,783	-	-
	$	**1,216,575**	**1,216,575**	**951,301**	**260,352**	**4,585**	**-**

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Company is significantly exposed to foreign currency risk as follows:

		December 31, 2022			December 31, 2021		
		Foreign currency (thousand dollars)	**Exchange rate**	**NTD**	**Foreign currency (thousand dollars)**	**Exchange rate**	**NTD**
Financial assets							
Monetary items							
USD	$	10,873	30.66	333,375	10,198	27.63	281,786
Financial liabilities							
Monetary items							
USD		1,521	30.66	46,625	4,147	27.63	114,760
HKD		16	3.91	63	6,144	3.52	21,984

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and accounts payable that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against foreign currency for the years ended December 31, 2022 and 2021 would have increased (decreased) the profit before tax by $2,867 and $1,450, respectively. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis is performed on the same basis for both years.

The amount, expressed in functional currency, of foreign exchange gain and loss (including realized and unrealized portions) of the Company's monetary items was as follows:

	2022		2021	
	Foreign exchange gain (loss)	**Average rate**	**Foreign exchange gain (loss)**	**Average rate**
NTD	$ 11,239	-	(2,363)	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Company's profit before tax would have decreased / increased by $17,300 and $10,027 for the years ended December 31, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Company's loan at variable rates.

(v) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Net profit before tax**	**Other comprehensive income before tax**	**Net profit before tax**
Increasing 1%	**$ 8,246**	**108**	**8,426**	**298**
Decreasing 1%	**$ (8,246)**	**(108)**	**(8,426)**	**(298)**

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(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Domestic listed shares	$ 10,807	10,807	-	-	10,807
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	$ 240,418	240,418	-	-	240,418
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	199,001	199,001	-	-	199,001
Domestic and foreign unlisted shares	385,222	-	-	385,222	385,222
Subtotal	584,223	199,001	-	385,222	584,223
Financial assets measured at amortized cost					
Cash and cash equivalents	86,130	-	-	-	-
Receivables	353,355	-	-	-	-
Other current financial assets	11,931	-	-	-	-
Guarantee deposits paid	18,156	-	-	-	-
Subtotal	469,572	-	-	-	-
Total	**$ 1,305,020**	**450,226**	**-**	**385,222**	**835,448**
Financial liabilities measured at amortized cost					
Short-term loans	$ 820,000	-	-	-	-
Long-term loans	910,000	-	-	-	-
Lease liabilities	46,548	-	-	-	-
Payables	162,387	-	-	-	-
Guarantee deposits received	2,705	-	-	-	-
Total	**$ 1,941,640**	**-**	**-**	**-**	**-**

(Continued)

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	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Domestic listed shares	$ 29,832	29,832	-	-	29,832
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	$ 230,673	230,673	-	-	230,673
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	256,331	256,331	-	-	256,331
Domestic and foreign unlisted shares	355,592	-	-	355,592	355,592
Subtotal	611,923	256,331	-	355,592	611,923
Financial assets measured at amortized cost					
Cash and cash equivalents	26,319	-	-	-	-
Receivables	320,771	-	-	-	-
Other current financial assets	25,471	-	-	-	-
Guarantee deposits paid	18,172	-	-	-	-
Subtotal	390,733	-	-	-	-
Total	**$ 1,263,161**	**516,836**	**-**	**355,592**	**872,428**
Financial liabilities at measured amortized cost					
Short-term loans	$ 772,697	-	-	-	-
Long-term loans	230,000	-	-	-	-
Lease liabilities	86,851	-	-	-	-
Payables	124,672	-	-	-	-
Guarantee deposits received	2,355	-	-	-	-
Total	**$ 1,216,575**	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

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

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

Measurements of fair value of financial instruments with an active market are listed below according to types and attributes:

(Continued)

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The listed stocks are traded in the active market and their fair value is based on the quoted price.

Except for the above-mentioned financial instruments traded in an active market, measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or the market transaction prices of the similar companies or other valuation techniques, including models, is calculated based on available market data at the reporting date.

When the financial instrument of the Company is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

3) Transfers between Level 1 and Level 2

For years ended December 31, 2022 and 2021, there was no transfer between level 2 and level 1 financial assets of the fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2022	$ 355,592
Total gains and losses recognized:	
In other comprehensive income	(28,963)
Purchased	76,636
Derecognized	(18,043)
Ending Balance, December 31, 2022	**$ 385,222**

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2021	$ 175,853
Total gains and losses recognized:	
In other comprehensive income	71,464
Purchased	112,686
Derecognized	(4,411)
Ending Balance, December 31, 2021	**$ 355,592**

(Continued)

For the years ended December 31, 2022 and 2021, total gains and losses that were included in "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

	2022	2021
Recognized in other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	$ 29,202	71,464

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

The Company's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable input of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach	·Price-book ratio (as of December 31, 2022 and 2021 were 1.48~3.77 and 1.61~4.14) ·Market liquidity discount ratio (as of December 31, 2022 and 2021 were both 10%~20%)	·The higher the multiplier, the higher the fair value ·The higher the discount, the lower the fair value

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

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs	Increase of decrease	Other comprehensive income Favorable	Other comprehensive income Unfavorable
December 31, 2022				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	38,522	(38,522)

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	Inputs	Increase of decrease	Other comprehensive income	
			Favorable	Unfavorable
December 31, 2021				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	35,559	(35,559)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(t) Financial risk management

(i) Structure of risk management

Each department monitors, controls, tracks and supervises the risks of strategy, finance, and operation. The Company reports the progress of risk management and control to the chairman of the Board of directors regularly. Apart from regular monitoring and supervision, during emergency, the Company must immediately set up an incident response team for further consideration and carry out necessary approaches to reduce risks.

(ii) Financial risk information

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risk. For more disclosures about the quantitative effects of these risks exposures. Please refer to the respective notes in the accompanying consolidated financial statements. The Company have exposure to the following risks from its financial instruments.

1) Credit risk

For credit risk analysis of cash and cash equivalents and accounts receivable, please refer to note 6(s).

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries, please refer to note 7(b).

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and insufficient banking facilities to be used.

The liquidity risk is monitored by the financial department of the Company. In order to ensure that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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As of December 31, 2022 and 2021, the unused credit lines for short-term loans please refer note 6(j). The Company's operational capital is sufficient to meet contractual obligations, therefore there is no liquidity risk of raising funds to fulfill contractual obligations. For information on the maturity date of financial liabilities, please refer to note 6(s).

3) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

All such transactions are carried out within the guidelines "procedures for dealing in derivatives transactions", approved by the Company's board of directors and/or shareholders. The related financial operations are also supervised by the internal audit department. The management of various market risks of the Company is explained as follows:

a) Currency risk

The Company is exposed to currency risk on sales, procurements and loans that are primarily denominated in NTD, US Dollar (USD) or Hong Kong Dollar (HKD). The Company's functional currency is NTD. At any point in time, the Company hedges its foreign currency exposure with respect to its net position of receivables, payables or assets/liabilities over the following six months.

The Company buys or sells foreign currencies at the spot rate when the short-term imbalance of monetary assets or liabilities, denominated in foreign currencies, occurs. The Company do not hedge the currency risk of investments in its subsidiaries.

b) Interest rate risk

The Company's interest rate risk mainly comes from bank deposits and bank loans at variable interest rate. The impact of interest rate changes on fair value of related financial commodity is not significant.

c) Security price risk: please refer to note 6(s).

(u) Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market, and to sustain future development of the business. Capital includes ordinary shares, capital surplus and retained earnings. The Board of directors monitors the level of dividends to shareholders as well as return on capital.

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The Company's debt to equity ratio at the end of the reporting period is as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 2,110,911	1,399,864
Less: cash and cash equivalents	(86,130)	(26,319)
Net debt	$ 2,024,781	1,373,545
Total equity	$ 3,102,775	3,058,893
Debt-to-equity ratio	65.26 %	44.90 %

For the year ended December 31, 2022, the debt-to-capital ratio increased because the Company borrowed the long-term loans to pay for the construction in progress.

As of December 31, 2022, the Company's capital management strategy is consistent with the prior years.

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

(i) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			New leases	Other	
Short-term loans	$ 772,697	47,303	-	-	820,000
Long-term loans	230,000	680,000	-	-	910,000
Lease liabilities	86,851	(57,246)	63,944	(47,001)	46,548
Total liabilities from financing activities	$ 1,089,548	670,057	63,944	(47,001)	1,776,548

	January 1, 2021	Cash flows	Non-cash changes		December 31, 2021
			New leases	Other	
Short-term loans	$ 640,533	132,164	-	-	772,697
Long-term loans	-	230,000	-	-	230,000
Lease liabilities	145,463	(58,687)	78,715	(78,640)	86,851
Total liabilities from financing activities	$ 785,996	303,477	78,715	(78,640)	1,089,548

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements and the Company's subsidiaries.

Name of related party	Relationship with the Company
Collins International Co., Ltd (CICL)	The Subsidiary of the Company
Jesco International Co., Ltd (Jesco)	The Subsidiary of the Company
Quality Craft Ltd. (Q.C.L.)	The Subsidiary of the Company
Collins (BVI) International Co., Ltd (Collins BVI)	The Subsidiary of the Company
Colltex Garment MFY(HK) Co., Ltd.	The Subsidiary of the Company
Commend Holdings Limited	The Subsidiary of the Company
Commend (HK) Limited	The Subsidiary of the Company

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Name of related party	Relationship with the Company
Gaolingaoke Giftware (Shenzhen) Company (GLGK)	The Subsidiary of the Company
HI-Clearance Inc. (HIC) (Note 1)	The Subsidiary of the Company
Xing Chang Investment Co., Ltd (Xing Chang)	The Subsidiary of the Company
GrowTrend Biomedical Co., Ltd.	The Subsidiary of the Company
Minoshin International Co., Ltd.	The Subsidiary of the Company

Note 1: The related-party transactions of HIC, please refer to the note 7 of HIC's parent company only financial statements (stock code : 1788).

(b) Significant transactions with related parties

(i) Management service fee, handling fee and commission income (classified under other income)

The balances of management fee, handling fee and commission income were as follow:

	2022	2021
HIC - management and directors' remuneration income	$ 14,025	13,697
Subsidiaries - management service fee income	7,889	7,699
Subsidiaries - handling fee income	274	282
	$ 22,188	**21,678**

The Company provides its subsidiaries management service and charges them accordingly. The management service fee offered to related parties are not materially different from that of the normal service fee offered by the market. The payment collection period to related parties is about 1 to 3 months. Receivables from related parties were not secured with collateral; therefore, did not require provisions for impairment losses.

The Company provided its subsidiaries endorsements and guarantees, where it charges them handling fee.

(ii) Commission expense, service charge and outsourcing expense (classified under operating expenses)

The balances of commission expense, service charge and outsourcing expense were as follow:

	2022	2021
Jesco - outsourcing expense	$ 75,046	75,013
Subsidiaries - service charge	22,053	23,453
Subsidiaries - commission expense	377	288
Subsidiaries - other expense	10	4
	$ 97,486	**98,758**

The Company outsources manpower to retail stores of its subsidiary, wherein the Company calculates the outsourcing expense according to the mark-up rate of the employee remuneration of each retail store.

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The Company assigns its subsidiaries to process triangular trading in certain areas, wherein the Company pays service charge to its subsidiaries thereof.

The subsidiaries of the Company refer customers to the Company, wherein the Company pays its subsidiaries commission thereof.

The prices from related parties are not materially different from those of third-party vendors. The payment period to related parties is 1 to 2 months and not materially different from those of third-party vendors.

(iii) Payable to related parties

The balances of payables were as follow:

Account	**Categories**	**December 31, 2022**	**December 31, 2021**
Other current liabilities	Subsidiaries	$ 11,668	12,021

(iv) Receivables from related parties

The balances of accounts receivable were as follow:

Account	**Categories**	**December 31, 2022**	**December 31, 2021**
Other receivables from related parties	Subsidiaries	$ 10,825	10,736

(v) Loans to related parties

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured, wherein no expected credit loss is required to recognize after the management's assessment. The interest rates were both 2.00% for the years end December 31, 2022 and 2021. The interest income were to $28 and $4, respectively.

(vi) Guarantee

For the years ended December 31, 2022 and 2021, the Company had provided guaranteed notes for loans taken out by the subsidiaries, wherein amounting to $275,940 and $248,670, respectively.

(vii) Leases

The Company leased out its the office or retail stores to the subsidiaries. The amounts of rent income were $2,038 and $900 for the years ended December 31, 2022 and 2021, respectively. The preceding rent payments have been received.

(viii) In March and December of 2022, the Company invested of $2,612 and $3,932 in GrowTrend Biomedical Co., Ltd., respectively, which is classified under investments accounted for using equity method.

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(c) Key management personnel compensation

Key management personnel compensation comprised:

	2022	2021
Short-term employee benefits	$ 30,112	25,552

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Property, plant and equipment	Long-term loans	$ 483,172	-

(9) Commitments and contingencies:

(a) The Company's outstanding standby letter of credit are as follows:

	December 31, 2022	December 31, 2021
Outstanding standby letter of credit	$ 134,504	65,795

(b) The Company issued guaranteed notes as follows:

	December 31, 2022	December 31, 2021
Bank loan	$ 275,940	248,670
Setup of retail stores and purchasing goods	5,824	5,624
	$ 281,764	254,294

(c) Unrecognized contractual commitments:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 4,672	79,500

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

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(12) Other:

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

By function / By item	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	-	122,125	122,125	-	91,208	91,208
Labor and health insurance	-	9,032	9,032	-	8,443	8,443
Pension	-	3,752	3,752	-	3,591	3,591
Remuneration of directors	-	8,043	8,043	-	6,465	6,465
Others	-	6,028	6,028	-	5,569	5,569
Depreciation (Note)	-	73,104	73,104	-	77,463	77,463
Amortization	-	623	623	-	204	204

Note: For the years ended December 31, 2022 and 2021, the depreciation expense recognized were $73,254 and $81,142 less rent concession of $150 and $3,679, respectively.

For the years ended December 31, 2022 and 2021, the additional information for employee numbers and employee benefits were as follows:

	2022	2021
Number of employees	131	129
Number of directors who were concurrently not employees	11	10
Average employee benefits	$ 1,174	914
Average employee salaries	$ 1,018	766
Average adjustment rate of employee salaries	32.90 %	
Supervisors' remuneration	$ -	-

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

Directors' remuneration: The remuneration of the directors of the Company is in accordance with the Company's articles of incorporation, wherein it is approved by the board of directors. According to the Company's articles of incorporation, the remuneration of the Company's directors is based on the directors' participation and contribution to the Company's operations, and also with reference to the level of the comparable companies. In addition, if the profit incurs, the remuneration of the directors is distributed in accordance with the Company's articles of incorporation.

Managers and employees' remuneration: The remuneration of the managers and employees includes salaries, bonus and employee remuneration, wherein it is determined based on the average salary with reference to level of the comparable companies, as well as the contribution to the Company's operations. The aforementioned remuneration policy was stipulated in accordance in accordance with the Company's articles of incorporation and by the level of authority. The determination of the remuneration payment is leveraged by the correlation between operational risks and operation performance, wherein the Company seeks a balance between sustainable operation and risk management.

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(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balanceof financing to other parties during the period (Note 5)	Ending balance (Note 5)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
0	The Company	COLLTEX HK	Advance payment	Yes	48,248	36,792	-	2.00%	(Note 1)	-	(Note 2)	-	-	-	310,277 (Note 3)	1,241,110 (Note 4)
1	HIC	HC-Healthcare Co., Ltd. (HCH)	Accounts receivable	Yes	150,000	-	-	0.00%	(Note 1)	-	(Note 2)	-	-	-	243,952 (Note 3)	975,811 (Note 4)

Note 1: Short-term financing.

Note 2: Operational capital.

Note 3: Where funds are loaned for reasons of business dealings, the ceiling of the loan is commensurate to the total amount of trading between the two companies. If short-term financing is needed, individual financing shall not exceed 10% of the lender's shareholders' equity.

Note 4: The total financing facility shall not exceed 40% of the amount of leader's equity.

Note 5: The amounts of highest balance and ending balance during the period were approved by the board of directors.

Note 6: The total amount of these financing shall not exceed 40% of the amount of the lender's shareholders' equity.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Commend Holdings Limited	2	620,555	128,660	122,640	-	-	3.95 %	1,551,387	Y	N	N
0	"	Commend (HK) Limited	2	620,555	160,825	153,300	1,070	-	4.94 %	1,551,387	Y	N	N
1	HIC	SIN HWA BIOTECH CO., LTD.	2	487,906	50,000	50,000	4,721	-	2.05 %	1,219,763	Y	N	N
1	"	HCH	2	487,906	120,000	120,000	87,517	-	4.92 %	1,219,763	Y	N	N

Note 1: Relationship with the Company:

1. Ordinary business relationship.

2. A entity, directly and indirectly, owned more than 50% voting shares of an guarantor.

Note 2: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's equity;The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 20% of the Company's equity.

The total amount for guarantees and endorsements provided by HIC to other entities shall not exceed 50% of HIC equity; The amount for guarantees and endorsements provided by HIC to any individual entity shall not exceed 50% of HIC's equity.

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Sin Hwa Investment Co., Ltd.	Fuh Hwa Emerg Mkt RMB Short-Term Inc.	-	Current financial assets at fair value through profit or loss	942,000	10,198	- %	10,198	
"	SinoPac Global Multi Income Fund	-	Current financial assets at fair value through profit or loss	1,000,000	9,616	- %	9,616	
Hsin Fu Healthcare Co., Ltd.	Fuh Hwa You Li Money Market Fund		Current financial assets at fair value through profit or loss	2,264,000	30,931	- %	30,931	
The Company	Medeon Biodesign Inc	-	Current financial assets at fair value through profit or loss	186,000	10,807	- %	10,807	
	Subtotal				61,552		61,552	
The Company	Center Laboratories Co.,Ltd / Stock	-	Current financial assets at fair value through other comprehensive income	2,202,157	88,323	- %	104,162	
"	DV Biomed Co., Ltd. / Stock	-	Current financial assets at fair value through other comprehensive income	1,259,763	48,000	- %	69,048	
"	Axman Enterprise Co., Ltd / Stock	-	Current financial assets at fair value through other comprehensive income	1,240,000	52,360	- %	67,208	
	Subtotal				188,683			
	Valuation adjustment				51,735		-	
	Total				240,418		240,418	
The Company	Capital Securities Corporation / Stock	-	Non-current financial assets at fair value through other comprehensive income	1,373,225	15,678	- %	14,899	
	Shin Kong Financial Holding Co., Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	20,992,223	244,910	- %	184,102	
	Subtotal				260,588		199,001	
	Valuation adjustment				(61,587)			
	Total				199,001			
"	EUROC V.C.GROUP	-	Non-current financial assets at fair value through other comprehensive income	30,000	352	3.75 %	233	
"	San Quan construction Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,200,000	12,000	- %	-	
"	Teletronics International Inc.	-	Non-current financial assets at fair value through other comprehensive income	740,600	27,855	- %	-	

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Powr World Fund,Inc.	-	Non-current financial assets at fair value through other comprehensive income	677,245	6,772	5.68 %	7,075	
"	Aerovision Avionics Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,656,000	14,400	4.36 %	24,030	
"	Acradia Design Systems Inc.	-	Non-current financial assets at fair value through other comprehensive income	150,000	23,034	- %	-	
"	China Yes Infor Media (Cayman) Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	6,361	- %	-	
"	Universal EC Inc.	-	Non-current financial assets at fair value through other comprehensive income	598,062	17,299	1.20 %	10,459	
"	Top Taiwan VI Venture Capital Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	100,500	1,005	1.30 %	813	
"	Tungya Collins Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,000	83,057	25.00 %	94,208	
"	CNC Distressed Opportunities Ltd.	-	Non-current financial assets at fair value through other comprehensive income	641	2,142	1.41 %	1,954	
"	Leadsun New Star Corp	-	Non-current financial assets at fair value through other comprehensive income	875,000	25,743	12.50 %	16,738	
"	Leadsun Investment	-	Non-current financial assets at fair value through other comprehensive income	787,500	5,577	7.50 %	7,531	
"	Taiwan Bio Therapeutics Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,594,696	64,868	7.07 %	113,556	
"	Viscovery Pte. Ltd.	-	Non-current financial assets at fair value through other comprehensive income	500,000	13,986	6.25 %	-	
"	J&V Energy Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	900,000	61,200	0.80 %	69,813	
"	Uniconn Interconnections Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	3,025,831	49,000	6.35 %	38,583	

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Taiwan Depository & Clearing Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,340	268	- %	229	
	Subtotal				414,919		385,222	
	Valuation adjustment				(29,697)			
	Total				385,222			
HI-Clearance Inc.	Taiwan Depository & Clearing Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,000	268	- %	268	
Taicha	Shanghai Shenshang Technologies Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	-	1,118	6.20 %	-	
	Subtotal				1,386		268	
	Valuation adjustment				(1,118)			
	Total				584,491		584,491	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Xizhi Office	2022.5.26	491,240	491,240	Farglory Land Development Co., Ltd. 、Farglory International Investment Co., Ltd.	None	-	-	-	-	Real estate appraisal report	Operational plan and office use	None

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:None

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

(ix) Trading in derivative instruments: None 6(b).

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In thousands of NTD / USD / HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	CICL	USA	Trade	21,082	21,082	5	100.00 %	3,549	10	10	Subsidiary
"	Collins BVI	BVI	Investment activities	36,024	36,024	1	100.00 %	63,836	3,082	3,082	"
"	Q.C.L	Canada	Trade	5,607	5,607	-	79.00 %	276,607	30,991	24,253	"
"	HI-Clearance Inc.	New Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	208,495	208,495	2,100	5.00 %	207,992	366,428	14,057	"
"	Xing Chang Investment Co., Ltd	Taipei	Investment activities	775,440	775,440	4,698	100.00 %	791,895	41,566	41,566	"
"	Growtrend Biomedical Co., Ltd.	Hsinchu	Medical equipment wholesale and retail	68,706	62,163	6,740	56.00 %	23,706	(16,119)	(9,632)	"
"	Sanho Healthcare Co., Ltd.	New Taipei	Medical service	64,000	-	4,000	16.00 %	63,729	(29,908)	(270)	Associate
"	Q.S. CONTROL CORP.	New Taipei	Medical equipment and auto parts	16,830	16,830	1,100	4.00 %	19,810	20,080	736	"
"	Asia Logistics Corporation Co., Ltd.	Taipei	Transportation business	22,520	-	2,000	20.00 %	20,631	(2,035)	(1,888)	"
"	COLLTEX GARMENT MFY (HK) CO.,LTD.	Hong Kong	Trade	59,971	59,971	2,000	100.00 %	73,351	33,771	33,771	Subsidiary
"	Jesco International Co., Ltd	Taipei	Manpower dispatch	30,030	30,030	2,000	100.00 %	22,145	1,352	1,352	"
"	Easting Biotechnology Co., Ltd.	New Taipei	Medical product manufacturing	74,466	70,000	1,146	26.00 %	8,389	(15,890)	(4,678)	Associate
"	Minoshin International Co., Ltd.	Taipei	Trade	121,000	121,000	3,863	68.00 %	133,260	64,171	39,643	Subsidiary
				1,504,171	1,406,642			1,708,900		142,002	
Collins BVI	Commend Holdings	Hong Kong	Trade	10	10	10	100.00 %	61,842 USD 2,017	3,082 USD 103	3,082 USD 103	Subsidiary
Commend Holdings	Commend (HK)	Hong Kong	Trade	500	500	500	100.00 %	6,686 USD 218	3,042 USD 102	3,042 USD 102	"
Xing Chang	HIC (Note 2)	New Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	115,633	115,633	6,071	15.00 %	777,235	366,428	40,632	"

Note 1: The profit and loss on investments recognized by the company in the current period already includes the profit and loss on investments of subsidiary.

Note 2: For information on investees (excluding investees in Mainland china) of HIC, please refer to HIC's financial statements (Stock Code：1788) note 13(b).

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of December 31, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow						
GLGK	Design, scientific research, and economic information consultation of trade business products	27,594 (USD900)	(Note 3)	27,594 (USD900)	-	-	27,594 (USD900)	5,117 (USD172) (Note 1)	100.00%	5,117 (USD172) (Note 1)	25,850 (USD843) (Note 1)	-

Note 1: It is recognized by the equity method based on the financial report of the investee company signed by an accountant during the same period.

Note 2: For the mainland investment information of HIC please refer to note 13(c) of the financial report of HIC (stock code: 1788).

Note 3: Reinvest in GLGK through Commend holdings Limited .

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

(ii) Limitation on investment in Mainland China:

(In thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
27,594 (USD 900)	27,594 (USD 900)	3,506,848

Note 1: December 31, 2022 USD: TWD= 1: 30.66.

(iii) Significant transactions:

The Company is engaged in triangle trading through Commend Holdings Limited and its subsidiary in Mainland China, and pays the service fee $16,126 to Commend Holdings thereof.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
LCL CAPITAL INC.	35,154,000	16.81 %
Chih Pin Industrial Co.,Ltd.	18,047,000	8.63 %
Witty Mate Corporation	16,500,000	7.89 %
Jing Shing Investment corp.	10,568,000	5.05 %

(14) Segment information:

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

COLLINS CO., LTD.

Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 182
Petty cash		1,214
	Subtotal	1,396
Cash in Bank		
Checking deposits		44,664
Foreign currency deposits	(USD1,081,908，Ending rate 1: 30.66)	33,171
	(RMB1,353，Ending rate 1:4.38)	6
Demand deposits		5,132
Postal deposits		1,761
	Subtotal	84,734
Total		**$ 86,130**

COLLINS CO., LTD.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares (In thousands)	Par value (NT$)	Total amount	Acquisition cost	Fair value: Unit price (NTD)	Fair value: Total amount	Note
Stock:								
Medeon Biodesign		186	$ 10	$ 1,860	7,807	58.10	10,807	
Add: Valuation adjustment		-	-	-	3,000	-	-	
				$ 1,860	**10,807**		**10,807**	

COLLINS CO., LTD.

Statement of financial assets measured at fair value through other comprehensive income - current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares (In thousands)	Par value (NT$)	Total amount	Acquisition cost	Fair value: Unit price (NTD)	Fair value: Total amount	Note
Stock:								
Center Laboratories Co., Ltd.		2,202	$ 10	$ 22,020	88,323	60.50	104,162	
DV Biomed Co., Ltd.		1,260	10	12,600	48,000	58.36	69,048	
Axman Enterprise Co., Ltd.		1,240	10	12,400	52,360	42.35	67,208	
Add: Valuation adjustment		-	-	-	51,735	-	-	
				$ 47,020	240,418		240,418	

COLLINS CO., LTD.

Statement of financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			
Name of financial instrument	Shares or units (in thousands)	Fair value	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Fair value	Collateral	Note
Capital Securities Corporation	1,373	$ 15,678	-	-	-	-	1,373	15,678	None	
Shine More Technology Materials Co., Ltd.	159	2,693	-	-	159	2,693	-	-	〃	
Shin Kong Financial Holding Co., Ltd.	20,992	244,910	-	-	-	-	20,992	244,910	〃	
Add: Valuation adjustment		(6,950)		-		54,637		(61,587)		
		256,331		-		57,330		199,001		
Euroc V.C. Group	30	352	-	-	-	-	30	352	None	
San Quan construction Ltd.	1,200	12,000	-	-	-	-	1,200	12,000	〃	
Teletronics International Inc.	741	27,855	-	-	-	-	741	27,855	〃	
A.D.S.INC	150	23,034	-	-	-	-	150	23,034	〃	
Powr World Fund Inc.	677	6,772	-	-	-	-	677	6,772	〃	
Aerovision Avionics Inc.	1,656	14,400	-	-	-	-	1,656	14,400	〃	
Leadsun New Star Corp	875	25,743	-	-	-	-	875	25,743	〃	
Leadsun Investment	788	5,577	-	-	-	-	788	5,577	〃	
China Yes Infor Media (Cayman) Inc.	1,000	6,361	-	-	-	-	1,000	6,361	〃	
Universal EC Inc.	598	17,299	-	-	-	-	598	17,299	〃	
Top Taiwan VI Venture Capital Co., Ltd.	201	2,009	-	-	100	1,004	101	1,005	〃	
Tungya Collins Ltd.	2	83,057	-	-	-	-	2	83,057	〃	
Bioengine Capital Inc.	6,192	15,000	-	-	6,192	15,000	-	-	〃	
CNC Distressed Opportunities Limited	1	4,182	-	-	-	2,040	1	2,142	〃	
Taiwan Bio Therapeutics Co., Ltd.	2,500	37,500	1,095	27,368	-	-	3,595	64,868	〃	
Viscovery Pte. Ltd.	500	13,986	-	-	-	-	500	13,986	〃	
J&V Energy Technology Co., Ltd.	900	61,200	-	-	-	-	900	61,200	〃	
Uniconn Interconnections Technology Co., Ltd.	-	-	3,026	49,000	-	-	3,026	49,000		
Taiwan Depository & Clearing Corporation	-	-	1	268		-	1	268		
Add: Valuation adjustment		(735)		-		28,962		(29,697)		
Subtotal		355,592		76,636		47,006		385,222		
Total		$ 611,923		76,636		104,336		584,223		

COLLINS CO., LTD.

Statement of accounts receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Accounts receivable-non related parties			
Company T		$ 201,789	
Company D		50,638	
Others (the individual account does not exceed 5% of accounts receivable)		96,109	
Subtotal		348,536	
Less: Loss allowance		(6,130)	
		$ 342,406	

Statement of notes receivable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Company B		$ 125	
Less: Loss allowance		(1)	
		$ 124	

COLLINS CO., LTD.

Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net realizable value	
Merchandise and Boutique		$ 272,475	**430,057**	Market value is measured by net realizable value
Less: Loss allowance		(52,215)		
		$ 220,260		

COLLINS CO., LTD.

Statement of other current assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments for purchase		$ 7,647	
Tax overpaid retained for offsetting the future tax payable		20,802	
Prepayments		8,816	
Others (the individual account does not exceed 5% of the account balance)		304	
		$ 37,569	

Other current financial assets

Item	Description	Amount	Note
Dividends receivable		$ 10,921	
Other receivables		1,010	
		$ 11,931	

COLLINS CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			Market Value or Net Assets Value			
Name of financial instrument	Shares or units (in thousands)	Fair value	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Percentage of ownership	Amount	Unit price (NT$)	Amount	Collateral	Note
Valuation by using the equity method:													
CICL	5	$ 3,189	-	360	-	-	5	100.00 %	3,549	709.75	3,549	None	
Collins BVI	1	54,518	-	9,318	-	-	1	100.00 %	63,836	55,078.38	63,836	〃	
Q.C.L.	-	238,737	-	51,440	-	(13,570)	-	78.26 %	276,607	3,364,227.06	276,607	〃	
HIC (directly owned 5.25%)	2,100	207,549	-	15,143	-	(14,700)	2,100	5.18 %	207,992	147.00	308,708		
HIC (indirectly owned 15.17%)	6,070	775,673	-	44,056	-	(42,494)	6,070	14.98 %	777,235	147.00	892,372	〃	
Xing Chang	4,698	14,453	-	935	-	(728)	4,698	100.00 %	14,660	3.11	14,603	〃	
QS Control Corp.	1,100	19,074	-	736	-	-	1,100	3.67 %	19,810	18.01	19,810	〃	
Grow Control Corp.	6,217	20,718	523	12,620	-	(9,632)	6,740	56.16 %	23,706	3.52	23,706	〃	
COLLTEX GARMENT MFY (HK) CO., LTD.	2,000	56,643	-	40,604	-	(23,896)	2,000	100.00 %	73,351	36.68	73,351	〃	
Minoshin International Co., Ltd.	3,863	93,616	-	39,644	-	-	3,863	67.71 %	133,260	34.50	133,259	〃	
Jesco	2,000	20,794	-	1,351	-	-	2,000	100.00 %	22,145	11.07	22,145	〃	
Easting Biotechnology Co., Ltd.	2,000	8,858	447	4,465	1,301	(4,934)	1,146	26.22 %	8,389	3.43	8,389	〃	
Aisa Logistics Corporation Co., Ltd.	-	-	2,000	22,520	-	(1,889)	2,000	20.00 %	20,631	11.26	22,520	〃	
Sanho Healthcare Co., Ltd.	-	-	4,000	64,000	-	(271)	4,000	16.00 %	63,729	16.00	64,000	〃	
		$ 1,513,822		307,192		(112,114)			1,708,900		1,926,855		

COLLINS CO., LTD.

Statement of other non-current assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayment for equipment		$ 4,963	
Guarantee deposits paid		18,156	
Overdue receivables		114,106	
Less: Loss allowance		(114,106)	
		$ 23,119	

Statement of short-term loans

Type	Description	Ending balance	Contract period	Range of interest rate	Credit lines (Note1)	Collateral	Note
Credit loan	Citi Bank	$ 130,000	2022/07/15~2023/02/17	1.27%~1.50%	189,509	None	
〃	The Export-Import Bank of the Republic of China	160,000	2022/08/26~2023/12/13	1.39%~1.51%	200,000	〃	
〃	DBS Bank	100,000	2022/12/07~2023/02/03	1.74%	280,000	〃	
〃	CTBC Bank	40,000	2022/11/29~2023/2/24	1.55%	300,000	〃	
〃	First Bank	110,000	2022/09/12~2023/05/10	1.67%	300,000	〃	
〃	Bank of Taiwan	120,000	2022/12/13~2023/06/27	1.70%	150,000	〃	
〃	Yuanta Bank	160,000	2022/12/19~2023/02/17	1.79%	200,000	〃	
		$ 820,000					

Note1: The Company has contracted unused credit lines additionally of $635,495.

COLLINS CO., LTD.

Statement of long-term loans

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Range of interest rate	Credit lines (Note1)	Collateral	Note
Credit loan	Bank SinoPac	$ 100,000	2022/11/30~2025/11/30	2.10%	300,000	None	
〃	CTBC Bank	200,000	2022/05/27~2025/12/15	1.91%~2.06%	300,000	〃	
Secured loan	First Bank	390,000	2022/10/12~2042/10/12	1.67%	390,000	Refer to note 8	
Credit loan	Taipei Fubon Bank	220,000	2022/12/05~2024/07/31	2.03%~2.04%	240,000	None	
		$ 910,000					

Statement of accounts payable

Vendor name	Description	Amount	Note
Company Z		$ 5,277	
Company X		1,098	
Others (the individual vendor does not exceed 5% of the account balance)		33,046	
		$ 39,421	

COLLINS CO., LTD.

Statement of other current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Commissions payable		$ 35,695	
Bonus payable		52,616	
Construction payable		13,250	
Other payables to related parties		11,668	
Others (the individual account does not exceed 5% of the account balance)		33,699	
		$ 146,928	

Statement of lease liabilities

Item	Description	Lease term	Discount rate	Ending balance	Note
Buildings and structures	Warehouses	2022.12.01~2023.05.01	1.4	$ 2,142	
	Retail stores	2021.08.01~2025.03.01	1.3~1.8	43,230	
Transportation equipments	Vehicles	2021.04.01~2024.10.01	1.35~1.4	1,176	
Subtotal				46,548	
Less: current portion				(36,707)	
Total				**$ 9,841**	

COLLINS CO., LTD.

--Statement of other non-current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Net defined benefit liabilities		$ 26,121	

Guarantee deposits received

Item	Description	Amount	Note
Guarantee deposits received	Guarantees	$ 347	

Statement of operating revenue

For the year ended December 31, 2022

Item	Description	Amount	Note
Trading		$ 876,365	
Apparel		493,828	
Subtotal		1,370,193	
Less: Sales returns and discount		(25,639)	
		$ 1,344,554	

COLLINS CO., LTD.

Statement of operating costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning balance of inventories (excluding the provision on valuation of inventories)	$ 283,429
Add: Purchases	934,220
Less: Purchase returns and allowances	3
Losses on inventory count	143
Ending balance of inventories (excluding the provision on valuation of inventories)	272,475
Costs of purchases and sales	945,028
Add: Losses on inventory count	143
Less: Gains on reversal of write-downs of inventories	5,912
Operating costs	**$ 939,259**

COLLINS CO., LTD.

Statement of selling expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wage expenses		$ 48,208	
Depreciation expenses		62,235	
Export expenses		35,209	
Professional service fees		75,666	
Advertisement fees		17,864	
Others (Each amounts is less than 5% of selling expenses)		99,027	
		$ 338,209	

Statement of administrative expenses

Item	Description	Amount	Note
Salary and wage expenses		$ 73,917	
Depreciation expenses		10,869	
Insurance expenses		7,546	
Others (Each amounts is less than 5% of administrative expenses)		49,369	
		$ 141,701	

Statement of other receivables due from related parties was disclosed in note 7

Statement of changes in property, plant and equipment was disclosed in note 6(g)

Statement of changes in right-of-use assets was disclosed in note 6(h)

Statement of changes in intangible assets was disclosed in note 6(i)

Statement of contract liabilities was disclosed in note 6(p)

Statement of deferred tax assets and liabilities was disclosed in note 6(m)

Statement of other income was disclosed in note 6(r)

Statement of other gains and losses was disclosed in note 6(r)

Statement of finance costs was disclosed in note 6(r)