Stock code: 9938

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report

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Declaration of Consolidated Financial Statements of Affiliates

The entities that are required to be included in the combined financial statements of Taiwan Paiho Limited as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TAIWAN PAIHO LIMITED and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours

Entity: TAIWAN PAIHO LIMITED

Person in charge: Sen-Mei Cheng

March 25, 2022

Independent Auditor's Report

To: TAIWAN PAIHO LIMITED

Audit Opinion

We have audited the accompanying consolidated financial statements of Taiwan Paiho Limited and its subsidiaries (collectively the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated income statement, consolidated statement of cash flows for the years then ended, and notes to consolidated financial statements, (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters are addressed in the context of our audit of the consolidated financial statements as a whole and informing our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter for the consolidated financial statements for the year ended December 31, 2021 is stated as follows:

Recognition of sales revenue

The main business items of the Group include the manufacturing and sale of touch fasteners, webbing, shoelaces, elastic, easy tape, and relevant peripheral materials as well as the sale of residential buildings constructed by construction contractors. Among all, the revenue from the sale of webbing and touch fasteners significantly influence the operating revenue and profit of the Group. Therefore, we include the above-mentioned sales revenue as a key audit matter. Please refer to Note 4 to Consolidated Financial Statements.

We have conducted procedures related to the matters included the following, among others:

1. We understood the design and implementation of internal controls and procedures for recognizing the sales revenue, and sampled and verified the appropriateness of the original orders approved.
2 We chose samples from the list of main products sales and checked their original orders, delivery orders, invoices, and the collection of payments, and inspected the recognition of the associated revenue and the collection of receivables.

Other Matters

We have also audited the parent only financial statements of Taiwan Paiho Limited as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements.

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statement.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We have also conducted the following work:

1. Identify and assess the risk of material misstatement of the consolidated financial statement whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriate ness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions many cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the disclosures), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's 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 responsibly be thought to bear on our independence (including related applicable safeguard).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and therefore the 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.

Deloitte & Touche
Taiwan
Shu-Chin, Chiang CPA
Ting-Chien, Su CPA
March 25, 2022

Notice to Readers

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

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 3,531,290	12	$ 5,870,846	18
1110	Financial assets at fair value through profit and loss – current (Notes 4 and 7)	-	-	644,182	2
1136	Financial assets measured at amortized cost – current (Notes 4 and 9)	221,866	1	829,424	3
1150	Notes receivable (Notes 4 and 10)	140,824	-	178,958	1
1170	Trade receivables (Notes 4 and 10)	2,835,196	10	2,480,638	8
1200	Other receivables (Note 4)	347,011	1	479,042	1
1310	Inventories – manufacturing (Notes 4 and 11)	3,035,641	11	2,243,394	7
1320	Inventories – constructing (Notes 4 and 11)	2,756,659	10	3,134,576	10
1470	Other current assets (Notes 17 and 25)	679,164	2	674,890	2
11XX	Total current assets	13,547,651	47	16,535,950	52
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) – non-current (Notes 4 and 8)	-	-	-	-
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9 and 30)	289,073	1	29,143	-
1600	Property, plant and equipment (Notes 4, 13 and 30)	12,328,979	43	12,607,349	40
1755	Right-of-use assets (Notes 4 and 14)	1,463,606	5	1,552,252	5
1760	Investment property (Notes 4 and 15)	142,865	-	149,695	-
1805	Goodwill (Notes 4 and 16)	191,041	1	204,735	1
1821	Other intangible assets (Note 4)	4,469	-	2,320	-
1840	Deferred tax assets (Notes 4 and 25)	354,358	1	285,592	1
1915	Prepayment for machinery and equipment	543,815	2	325,751	1
1995	Other non-current assets (Note 17)	70,005	-	49,600	-
15XX	Total non-current assets	15,388,211	53	15,206,437	48
1XXX	Total assets	$ 28,935,862	100	$ 31,742,387	100

Code	Liabilities and equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities				
2102	Short-term borrowings (Note 18)	$ 2,863,774	10	$ 3,981,840	13
2130	Contractual liabilities – current (Notes 4, 23, 29 and 31)	990,613	3	3,238,327	10
2150	Notes payable	104,865	-	61,201	-
2170	Trade payables	882,034	3	626,412	2
2200	Other payables (Notes 19 and 24)	1,659,901	6	1,575,598	5
2230	Current tax liabilities (Notes 4 and 25)	1,016,382	4	955,320	3
2280	Lease liabilities – current (Notes 4, 14 and 29)	30,458	-	27,514	-
2320	Current portion of long-term borrowings (Notes 18 and 30)	576,310	2	1,182,322	4
2399	Other current liabilities (Note 4)	88,481	-	98,535	-
21XX	Total current liabilities	8,212,818	28	11,747,069	37
	Non-current liabilities				
2540	Long-term borrowings (Notes 18 and 30)	5,247,409	18	5,853,557	19
2570	Deferred tax liabilities (Notes 4 and 25)	1,384,016	5	1,186,370	4
2580	Lease liabilities – non-current (Notes 4, 14 and 29)	96,613	1	113,528	-
2630	Deferred revenue – non-current (Notes 4 and 14)	84,498	-	87,849	-
2640	Net defined benefit liabilities – non-current (Notes 4 and 20)	266,100	1	282,943	1
2645	Guarantee deposits received	14,049	-	17,083	-
25XX	Total non-current liabilities	7,092,685	25	7,541,330	24
2XXX	Total liabilities	15,305,503	53	19,288,399	61
	Equity attributable to owners of the Corporation				
3110	Common stock	2,979,639	10	2,979,639	10
3200	Capital surplus	727,977	3	727,926	2
	Retained earnings				
3310	Legal reserve	1,640,637	6	1,487,627	5
3320	Special reserve	572,198	2	448,343	1
3350	Unappropriated earnings	5,577,139	19	4,737,748	15
3400	Other equity interest	(737,099)	(3)	(572,198)	(2)
31XX	Total equity attributable to owners of the Corporation	10,760,491	37	9,809,085	31
36XX	Non-controlling interests	2,869,868	10	2,644,903	8
3XXX	Total equity	13,630,359	47	12,453,988	39
	Total liabilities and equity	$ 28,935,862	100	$ 31,742,387	100

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

President: Sen-Mei Cheng General Manager: Cheng-Wei Cheng Accounting Supervisor: Yao-Da Huang

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

		2021		2020	
Code		Amount	%	Amount	%
4000	Net sale (notes 4, 23, 29)	$ 18,287,786	100	$ 14,645,277	100
5000	Cost of goods sold (Notes 4, 11, 23, 24)	11,359,265	62	9,269,352	63
5950	Gross profit	6,928,521	38	5,375,925	37
	Operating expense (Notes 24 and 29)				
6100	Sales and marketing expenses	1,447,989	8	1,272,576	9
6200	General and administrative expenses	925,779	5	725,833	5
6300	Research and development expenses	558,247	3	554,562	4
6450	Expected credit loss (Note 10)	18,694	-	13,922	-
6000	Total operating expense	2,950,709	16	2,566,893	18
6900	Profit from operations	3,977,812	22	2,809,032	19
	Non-operating income and expense				
7010	Government grant (Note 4)	60,780	-	52,166	-
7100	Interest income (Note 4)	88,745	1	80,151	1
7190	Other income (Note 4)	86,570	-	55,678	-
7510	Finance costs (Notes 4, 24, 29)	(137,897)	(1)	(192,588)	(1)
7590	Miscellaneous expenses (Notes 4 and 24)	(31,638)	-	(37,917)	-
7630	Net foreign exchange loss (Notes 4 and 24)	(17,475)	-	(82,940)	(1)
7000	Total non-operating income and expense	49,085	-	(125,450)	(1)

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Code		2021 Amount	2021 %	2020 Amount	2020 %
7900	Profit before income tax	$ 4,026,897	22	$ 2,683,582	18
7950	Income tax expense (Notes 4 and 25)	1,360,847	7	883,147	6
8200	Net Profit for the Year	2,666,050	15	1,800,435	12
	Other comprehensive income (Note 4)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 20)	21,231	-	(32,701)	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	-	-	(29,958)	-
8349	and income tax related to items that will not be reclassified (Note 25)	(2,067)	-	3,401	-
		19,164	-	(59,258)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(254,766)	(1)	7,658	-
8399	and income tax related to items likely to be reclassified to profit or loss (Note 25)	41,225	-	23,475	-
		(213,541)	(1)	31,133	-
8300	Other comprehensive loss for the year	(194,377)	(1)	(28,125)	-
8500	Total comprehensive income for the year	$ 2,471,673	14	$ 1,772,310	12
	Net income attributable to:				
8610	Owners of the Corporation	$ 2,059,783	11	$ 1,551,805	10
8620	Non-controlling interests	606,267	4	248,630	2
8600		$ 2,666,050	15	$ 1,800,435	12

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Total comprehensive income attributable to:				
8710	Owners of the Corporation	$ 1,908,774	11	$ 1,406,248	10
8720	Non-controlling interests	562,899	3	366,062	2
8700		$ 2,471,673	14	$ 1,772,310	12
	Earnings per share (Note 26)				
9750	Basic	$ 6.91		$ 5.21	
9850	Diluted	$ 6.90		$ 5.20	

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

President: Sen-Mei Cheng General Manager: Cheng-Wei Cheng Accounting Supervisor: Yao-Da Huang

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Corporation (Note 4)											
			Capital Surplus (Note 22)			Retain earnings (Note 22)			Other Equity Items (Notes 8 and 22)				
Code		Common Stock (Note 22)	Premium from Stock	Difference Between Consideration Received or Paid and the Carrying Amount of the Subsidiaries' Net Assets During Disposal or Acquisition	Donation Assets	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Profit or Loss of Financial Assets at FVTOCI	Total	Non-Controlling Interests	Total Equity
A1	Balance at January 1, 2020	$ 2,979,639	$ 615,831	$ 111,914	$ 145	$ 1,335,409	$ 230,730	$ 4,471,368	($ 448,626)	$ 283	$ 9,296,693	$ 2,370,398	$ 11,667,091
C3	Donation from shareholders	-	-	-	36	-	-	-	-	-	36	-	36
	Appropriation of 2019 earnings												
B1	Legal reserve	-	-	-	-	152,218	-	(152,218)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	217,613	(217,613)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	-	(893,892)	-	-	(893,892)	-	(893,892)
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(91,557)	(91,557)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	-	1,551,805	-	-	1,551,805	248,630	1,800,435
D3	Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	(21,702)	(93,897)	(29,958)	(145,557)	117,432	(28,125)
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	1,530,103	(93,897)	(29,958)	1,406,248	366,062	1,772,310
Z1	Balance at December 31, 2020	2,979,639	615,831	111,914	181	1,487,627	448,343	4,737,748	(542,523)	(29,675)	9,809,085	2,644,903	12,453,988
C3	Donation from shareholders	-	-	-	51	-	-	-	-	-	51	-	51
	Appropriation of 2020 earnings												
B1	Legal reserve	-	-	-	-	153,010	-	(153,010)	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	123,855	(123,855)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	-	(893,892)	-	-	(893,892)	-	(893,892)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(63,527)	-	-	(63,527)	(185,261)	(248,788)
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(152,673)	(152,673)
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	-	2,059,783	-	-	2,059,783	606,267	2,666,050
D3	Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	13,892	(164,901)	-	(151,009)	(43,368)	(194,377)
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	2,073,675	(164,901)	-	1,908,774	562,899	2,471,673
Z1	Balance at December 31, 2021	$ 2,979,639	$ 615,831	$ 111,914	$ 232	$ 1,640,637	$ 572,198	$ 5,577,139	($ 707,424)	($ 29,675)	$ 10,760,491	$ 2,869,868	$ 13,630,359

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

President: Sen-Mei Cheng　　General Manager: Cheng-Wei Cheng　　Accounting Supervisor: Yao-Da Huang

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		2021	2020
	Cash flows from operating activities		
A10000	Income before income tax	$4,026,897	$2,683,582
A20010	Incomes and expense items:		
A20100	Depreciation expense	1,280,549	1,263,771
A20200	Amortization expense	831	253
A20300	Expected credit loss recognized	18,694	13,922
A20900	Finance costs	137,897	192,588
A21200	Interest income	(88,745)	(80,151)
A22500	Loss (gain) on disposal of property, plant and equipment	300	(1,990)
A23700	Impairment loss recognized on non-financial assets	137,189	169,634
A24100	Unrealized foreign currency exchange loss, net	352	7,488
A29900	Others	(55,523)	(2,288)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	640,936	(611,208)
A31130	Notes receivable	37,329	(94,416)
A31150	Trade receivables	(439,394)	(162,543)
A31180	Other receivables	117,076	(203,206)
A31200	Inventories – manufacturing	(985,518)	(189,647)
A31200	Inventories – construction	275,049	(559,608)
A31240	Other current assets	(25,233)	(58,493)
A32125	Contractual liabilities	(2,169,361)	3,299,171
A32130	Notes payable	43,664	10,560
A32150	Trade payables	278,168	57,416
A32180	Other payables	197,597	166,412
A32230	Other current liabilities	(8,340)	30,920
A32240	Net defined benefit liabilities	4,256	(7,543)
A33000	Cash generated from operations	3,424,670	5,924,624
A33100	Interest received	88,745	80,151
A33300	Interest paid	(142,668)	(203,383)
A33500	Income tax paid	(1,081,942)	(544,733)
AAAA	Net cash generated from operating activities	2,288,805	5,256,659

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Code		2021	2020
	Cash flow from investment activities		
B00040	Purchase of financial assets at amortized cost	($ 2,664,317)	($ 3,552,978)
B00050	Proceeds from disposal of financial assets at amortized cost	3,008,166	2,892,979
B02700	Payments for property, plant and equipment	(840,771)	(937,512)
B02800	Proceeds from disposal of property, plant and equipment	12,628	29,506
B03700	Decrease (increase) in refundable deposits	(28,080)	1,023
B04500	Procurement of intangible assets	(2,356)	(488)
B05350	Payments for right-of-use assets	-	(236,570)
B06700	Decrease (increase) in other non-current assets	7,619	874
B07100	Increase of prepayment for machinery and equipment	(622,924)	(331,879)
BBBB	Net cash used in investing activities	(1,130,035)	(2,135,045)
	Cash flow from financing activities		
C00100	Repayments of short-term borrowings	(1,030,090)	(1,109,604)
C01600	Proceeds from long-term borrowings	5,757,359	4,438,424
C01700	Repayments of long-term borrowings	(6,834,378)	(2,877,443)
C03000	Proceeds from (repayments of) guarantee deposits received	(3,050)	3,564
C04020	Repayment of the principal portion of lease liabilities	(62,458)	(36,001)
C04500	Distribution of cash dividend	(893,892)	(893,892)
C05700	Income taxes paid on disposal of subsidiary	(264,011)	-
C05800	Dividends paid to non-controlling interests	(152,673)	(91,557)
C09900	Overdue dividend	51	36
CCCC	Net cash used in financing activities	(3,483,142)	(566,473)
DDDD	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(15,184)	52,519
EEEE	Net increase (decrease) in cash and cash equivalents	(2,339,556)	2,607,660
E00100	Cash and cash equivalents at the beginning of the year	5,870,846	3,263,186
E00200	Cash and cash equivalents at the end of the year	$ 3,531,290	$ 5,870,846

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

President: Sen-Mei Cheng General Manager: Cheng-Wei Cheng Accounting Supervisor: Yao-Da Huang

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

January 1 to December 31, 2021 and 2020

(In thousands of New Taiwan dollars or foreign currency unless stated otherwise)

I. General Information

Taiwan Paiho Limited (hereinafter referred to as "the Corporation") was incorporated in January 1985. It manufactures and sells touch fasteners, webbing, elastic, easy tape and relevant peripheral materials as well as the sale of residential buildings constructed by entrusted construction contractors.

The Corporation was approved to list its stock at Taiwan Stock Exchange Corporation (TWSE) for trading in January 2001.

The consolidated financial statements of the Corporation and its subsidiaries (collectively, the "Group") are presented in the Corporation's functional currency, New Taiwan dollar.

II. Approval of the Financial Statements

These consolidated financial statements were approved by the Board of Directors on March 25, 2022.

III. Application of New, Amended and Revised Standards and Interpretations

(I) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the "Group").

(II) The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

2 Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3. Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2 Assets expected to be realized within 12 months after the reporting period; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2 Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
3. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities do not fit in the descriptions above are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 12, Tables 9 and 10 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(V) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation and other entities in the Group (including subsidiaries or associates in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the United States dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests as appropriate. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency, are not subsequently reclassified to profit or loss.

(VI) Inventories

Manufacturing

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Construction business

The properties to be developed refer to the expenditure on land use right and construction which will be reclassified as construction in progress at the start of the construction and obtaining of construction certificates of the properties.

The cost of real estate under development comprises the cost of land use rights, construction costs and borrowing costs that are eligible for capitalization, which will be transferred to construction to be sold upon completion of construction.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use right and as development cost, respectively.

Land for construction and real estate for sale are accounted for at cost. If there is sufficient evidence to show that the net realizable value is lower than the cost at the end of the period, then the difference is recognized as allowance for loss.

(VII) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include right-of-use assets if the definition of investment properties is met.

Investment properties owned are initially measured at cost (including cost of transaction) and are subsequently measured at cost less accumulated depreciation and less accumulated impairment losses.

Investment property held through a lease is measured at original cost (including initial lease liability measurement, rental paid prior the commencement of the lease term, initial direct costs and estimated cost for restoring less incentive to collect lease payments), and subsequently measured at cost less accumulated depreciation and less accumulated impairment losses, with the adjustment to remeasure of the lease liability.

Depreciation is recognized using the straight-line method.

For a transfer from the investment properties classification to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(IX) Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(X) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(XI) Assets related to contract costs

When a sales contract is obtained, selling service fees paid to agents under exclusive sale agreements are recognized as incremental costs of obtaining a contract to the extent that the costs are expected to be recovered and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group otherwise would have recognized, is expected to be one year or less.

(XII) Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization and depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(XIII) Financial Instruments

Financial assets and financial liabilities are recognized when an entity of the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial assets</u>

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

1. Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL and financial assets at amortized cost.

(1) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28: Financial Instruments.

(2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, restricted deposits at amortized cost, debt instruments, notes receivable, trade receivables, other receivables and refundable deposit, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

A. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

B. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

A. Significant financial difficulty of the issuer or the borrower;

B. Breach of contract, such as a default;

C. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

D. The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(3) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. Impairment of financial assets

   The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

   The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

   Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

   For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

   (1) Internal or external information shows that the debtor is unlikely to pay its creditors.

   (2) When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

   The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3. Derecognition of financial assets

   The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

   On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial liabilities

1. Subsequent measurement

   All the financial liabilities are measured at amortized cost using the effective interest method.

2. Derecognition of financial liabilities

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

(XIV) Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(XV) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1. Revenue from the sale of goods

   Revenue from the sale of goods is recognized when the goods are delivered to the customer's specific location and the goods are shipped or picked up because it is the time when the customer has the right to use and bears the risks on the goods.

   The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2 Revenue from the sale of realty estate

The Group identifies the contract with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sales of real estate is recognized on the day the real estate is transferred, i.e. the buyer and seller have signed the sales contract and have filed the relevant documents in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the seller issues a notice of real estate transfer according to the provisions of the contract. Until such revenue is recognized, deposits and installment payments received from the buyer of properties are reported as contract liabilities - current in the consolidated balance sheets.

(XVI) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term that causes a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XVII) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVIII) Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(XIX) Employee benefits

1. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2 Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurred. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(XX) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

VI. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Petty cash and cash on hand	$ 78,142	$ 62,357
Checking accounts and demand deposits	1,693,244	931,897
Cash equivalents (deposit accounts with original maturities of 3 months or less)	1,759,904	4,876,622
	$ 3,531,290	$ 5,870,846
Rate of interest per annum (%)		
Bank balance	0.00-1.75	0.00-1.80
Deposit accounts with original maturities of 3 months or less	1.40-2.80	0.20-2.80

VII. Financial Instruments at Fair Value through Profit or Loss (FVTPL) - Current

	December 31, 2021	December 31, 2020
Financial asset		
Financial assets mandatorily classified as at FVTPL		
Non derivative financial assets		
- Structured deposits	$ -	$ 644,182

VIII. Financial Assets at Fair Value through Other Comprehensive Income – Non-Current

Name of Investee	December 31, 2021	December 31, 2020
Investments in equity instrument at FVTOCI - overseas unlisted common shares		
Hong Kong Leader Elastic Limited	$ -	$ -

The Group invested in Hong Kong Leader Elastic Limited under its long-term strategic objective and makes profit from long-term investment. The management holds that if the short-term fluctuation of fair value of the investment was recognized as income, it will be discrepant with the long-term investment plan. Therefore, the investment was chosen as financial asset at fair value through other comprehensive profit and loss in measurement.

IX. Financial Assets at Amortized Cost

	December 31, 2021	December 31, 2020
Current		
Restricted deposits	$ 221,866	$ 829,424
Non-current		
Restricted deposits	$ 289,073	$ 29,143

Restriction deposits of NT$297,728 (US$10,700 thousand) and NT$395,431 (US$13,348 thousand), respectively, in 2021 and 2020 were approved for repatriation under "Regulations Governing the Financial Investment of Repatriated Offshore Funds." Repatriation made under the 2020 portion has been used for making an investment proposition to Ministry of Economic Affairs and is restricted for other usage.

For information on pledged financial assets at amortized cost, refer to Note 30.

X. Notes Receivables and Trade Receivables

	December 31, 2021	December 31, 2020
Notes receivable		
at amortized cost	$ 140,824	$ 178,958
Trade receivable		
at amortized cost		
Gross carrying amount	$ 2,981,500	$ 2,614,953
Less: allowance for impairment loss	(146,304)	(134,315)
	$ 2,835,196	$ 2,480,638

The average credit period of sales of goods was 30 to 90, and no interest was charged on trade receivables. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for general economic conditions of the industry in which the customer operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date, and by distinguishing different risk groups, setting expected credit loss rate for each group.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group does not have overdue notes receivable. The following table details the loss allowance of trade receivables

	0–90 Days	91–120 Days	121–150 Days	151–180 Days	More than 181 Days	Total
December 31, 2021						
Expected credit loss rate	1-4%	1-20%	1-40%	1-80%	1-100%	
Gross carrying amount	$ 2,648,533	$ 174,675	$ 73,745	$ 36,517	$ 48,030	$ 2,981,500
Loss allowance (Lifetime ECLs)	(35,111)	(25,862)	(22,870)	(25,227)	(37,234)	(146,304)
Amortized cost	$ 2,613,422	$ 148,813	$ 50,875	$ 11,290	$ 10,796	$ 2,835,196

	0–90 Days	91–120 Days	121–150 Days	151–180 Days	More than 181 Days	Total
December 31, 2020						
Expected credit loss rate	1-4%	1-20%	1-40%	1-80%	1-100%	
Gross carrying amount	$ 2,326,021	$ 182,015	$ 52,230	$ 11,184	$ 43,503	$ 2,614,953
Loss allowance (Lifetime ECLs)	(53,396)	(25,022)	(17,697)	(7,045)	(31,155)	(134,315)
Amortized cost	$ 2,272,625	$ 156,993	$ 34,533	$ 4,139	$ 12,348	$ 2,480,638

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Beginning balance of the year	$ 134,315	$ 121,018
Add: Net remeasurement of loss allowance	18,694	13,922
Less: Amount written off	(5,044)	(1,722)
Foreign exchange gain or loss	(1,661)	1,097
Ending balance of the year	$ 146,304	$ 134,315

XI. Inventories

(I) Manufacturing

	December 31, 2021	December 31, 2020
Finished goods	$ 1,205,360	$ 790,375
Work in process	634,134	478,864
Raw materials and supplies	1,096,277	876,168
Inventory in transit	99,870	97,987
	$ 3,035,641	$ 2,243,394

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $9,188,399 thousand and $8,220,959 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 included inventory write-downs of $128,912 thousand and NT$160,974 thousand.

(II) Construction industry

	December 31, 2021	December 31, 2020
Construction under development	$ 1,867,336	$ 2,725,435
Construction to be sold	889,323	409,141
	$ 2,756,659	$ 3,134,576

Construction under development

Location	Project Name	Estimated Year of Completion	December 31, 2021	December 31, 2020
Xishan District, Wuxi	Paiho International Mansion - Season Two	2021	$ -	$1,843,081
	Paiho Commercial Plaza	2022	1,867,336	882,354
			$1,867,336	$2,725,435

Construction to be sold

Location	Project Name	December 31, 2021	December 31, 2020
Xishan District, Wuxi	Paiho International Mansion - Season One	$ 330,057	$ 409,141
	Paiho International Mansion - Season Two	559,266	-
		$ 889,323	$ 409,141

The cost of inventories recognized as cost of real estate sold for the year ended December 31, 2021 and 2020 was $2,170,866 thousand and $1,048,393 thousand, respectively.

XII. Subsidiaries

(I)Subsidiaries included in the consolidated financial statements

Investee	Subsidiary	Nature of Activities	Percentage of ownership (%) 2021 December 31	2020 December 31	Note
The Corporation	Paiho Int'l Limited	International investment	100	100	-
	Paiho Group Inc	International investment	100	100	-
	PT. Paiho Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	99	99	-
	Paiho North America Corporation	Sales of touch fasteners and various type of webbings	100	100	-
	Spring Rich Limited	Extra processing of webbings	100	100	-
	Vietnam Paiho Limited	Manufacture and extra processing on touch fasteners and various type of webbings	33	33	-
Paiho Int'l Limited	Paiho Shih Holdings Corporation	International investment	52	52	-
	Dongguan Paiho Business Service Co., Ltd.	Non-residential property leasing	100	100	8
	He Mei Xing Ye Company Ltd.	International investment	100	100	-
	Zhong Yuan Xing Ye Company Ltd.	International trading	100	100	-
	PT. Paiho Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	1	1	-
	Wuxi Paiho Textile Co., Limited	Processing of touch fasteners, webbing and embroidery	-	4	2
Paiho Shih Holdings Corporation	Hong Kong Antex Limited	International investment	100	100	-
	Pai Lon International Trading Limite	International trading	100	100	5
	Hon Shin Corp.	Internal investment and trading	100	100	-
	Taiwan Pailon Biotechnology Co., Ltd.	Production and sales of masks and non-woven fabrics	-	100	1
Hong Kong Antex Limited.	Wuxi Paiho Textile Co., Limited	Processing of touch fasteners, webbing and embroidery.	99.99	93	2
	Dongguan Paihong Industry Co., Ltd	Production and sale of touch fasteners, elastic, webbings, and jacquard engineered mesh, and consumer electronic accessories, etc.	-	34	2
	Wuxi Paiwei Biotechnology Co. Ltd.	Production and sales of masks and non-woven fabrics	100	-	2
Wuxi Paiho Textile Co., Limited	Dongguan Paihong Industry Co., Ltd	Production and sale of touch fasteners, elastic, webbings, and jacquard engineered mesh, and consumer electronic accessories, etc.	100	66	2
	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration	100	100	-
Wuxi Paiho Textile Co., Limited	Wuxi Paiwei Biotechnology Co. Ltd.	Production and sales of masks and non-woven fabrics	-	100	2
	Shanghai Best Expectation Textile Trading Limited	Internal investment and trading	100	-	3

(Continued on the following page)

(Continued from the previous page)

Investee	Subsidiary	Nature of Activities	Percentage of ownership (%) 2021 December 31	2020 December 31	Note
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Internal investment and trading	-	-	4
Hon Shin Corp.	Vietnam Paihong Limited Company	Production and sale of mesh and other fabrics.	100	100	-
He Mei Xing Ye Company Ltd.	Vietnam Paiho Limited	Manufacture and extra processing on touch fasteners and various type of webbings	67	67	-
Paiho Group Inc.	Paiho Holdings Limited	International investment	100	100	-
Paiho Holdings Limited	Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	25	25	-
	China Star International Limited	Production & marketing of powder coating	100	100	-
	Braits Company Limited	International investment	100	100	-
Braits Company Limited	Wuxi Paisen Commerce Co., Ltd.	Non-residential property leasing	100	100	7
Wuxi Paisen Commerce Co., Ltd.	Wuxi Paiho Textile Co., Limited	Processing of touch fasteners, webbing and embroidery	-	3	2
	Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	75	-	6
China Star International Limited	Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	-	75	6

Note 1: The Corporation's board of directors decided to dissolve and liquidate Taiwan Pai Lon Biotechnology Co., Ltd on May 7, 2021, finished the registration of the dissolution with the document received on June 7, 2021, and finished the liquidation on October 8, 2021.

Note 2: The Corporation adjusted its group investment structure in China in 2021: Hong Kong Antex Limited acquired 4.2% and 2.59% shareholding of Wuxi Paiho Textile Co., Limited from Paiho Int'l limited and Wuxi Paisen Commerce Co., Ltd., respectively. Hong Kong Antex Limited acquired 100% shareholding of Wuxi Paiwei Biotechnology Co. Ltd. from Wuxi Paiho Textile Co., Limited. And Wuxi Paiho Textile Co., Limited acquired 34% shareholding of Dongguan Paihong Industry Co., Ltd from Hong Kong Antex Limited.

Note 3: Shanghai Best Expectation Textile Trading Limited was established in December 2021 and has no operational activities.

Note 4: Hong Kong Best Expectation International Trading Limited completed its registration in December 2021 and had not invested capital until the balance sheet date, thus, its shareholding percentage is zero.

Note 5: The board of directors of Paiho Shih Holdings Corporation resolved to dissolve and liquidate Pai Lon International Trading Limited in November 2021, and the liquidation was completed in February 2022.

Note 6: To adjust the investment structure in China in 2021: 75% shareholding of Dongguan Paiho Powder Coating Co., Ltd. was sold by China Star International Limited to Wuxi Paisen Commerce Co., Ltd.

Note 7: Wuxi Paisem Chemical Fibre Co., Ltd. was renamed to Wuxi Paisen Commerce Co., Ltd. in 2021.

Note 8: Through a board resolution in 2021, Dongguan Paiho Textile Limited was renamed to Dongguan Paiho Business Service Co., Ltd with the necessary procedures with the regulatory agency completed in January 2022.

The reinvestment structure as of December 31, 2021 and 2020 is shown in Tables 12 and 13.

See Tables 9 and 10 for the information on places of incorporation and principal places of business for each subsidiary.

The financial statements of subsidiaries included in the consolidated financial statements were audited by the auditors for the same year.

(II) Details of subsidiaries that have material non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
Name of Subsidiary	December 31, 2021	December 31, 2020
Paiho Shih Holdings Corporation and subsidiaries	48%	48%

	Profit (loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
Name of Subsidiary	2021	2020	December 31, 2021	December 31, 2020
Paiho Shih Holdings Corporation and subsidiaries	$ 606,267	$ 248,630	$2,869,868	$2,644,903

Paiho Shih Holdings Corporation and subsidiaries

	December 31, 2021	December 31, 2020
Current assets	$ 7,805,473	$ 11,287,848
Non-current assets	7,402,760	7,218,318
Current liabilities	(5,010,565)	(7,401,420)
Non-current liabilities	(4,269,084)	(5,157,032)
Equity	$ 5,928,584	$ 5,947,714
Equity attributed to:		
Owners of Paiho Shih Holdings Corporation	$ 3,058,716	$ 3,302,811
Non-controlling interests of Paiho Shih Holdings Corporation and subsidiaries	2,869,868	2,644,903
	$ 5,928,584	$ 5,947,714

	2021	2020
Revenue	$ 10,141,094	$ 6,552,677
Profit for the year	$ 1,332,568	$ 583,357
Other comprehensive income for the year	(24,323)	251,740
Total comprehensive income for the year	$ 1,308,245	$ 835,097
Profit attributable to:		
Owners of Paiho Shih Holdings Corporation	$ 726,301	$ 334,727
Non-controlling interests of Paiho Shih Holdings Corporation's subsidiaries	606,267	248,630
	$ 1,332,568	$ 583,357
Total comprehensive income attributed to:		
Owners of Paiho Shih Holdings Corporation	$ 745,346	$ 469,035
Non-controlling interests of Paiho Shih Holdings Corporation and subsidiaries	562,899	366,062
	$ 1,308,245	$ 835,097
Net cash inflow (outflow) from:		
Operating activities	$ 397,784	$ 3,174,539
Investing activities	(387,271)	(1,136,503)
Financing activities	(2,758,941)	461,554
Net cash inflow (outflow)	($ 2,748,428)	$ 2,499,590

XIII. Property, Plant and Equipment

2021	Beginning Balance of the Year	Additions	Disposals	Reclassified Amount	Net Exchange Translation Adjustments	Ending Balance of the Year
Cost						
Land	$ 578,056	$ -	$ -	$ 2,000	($ 2,154)	$ 577,902
Buildings	7,498,220	41,969	(38,806)	487,553	(153,222)	7,835,714
Machinery and equipment	8,303,863	192,103	(231,822)	316,627	(149,229)	8,431,542
Transportation equipment	276,572	30,120	(25,155)	6,406	(4,880)	283,063
Miscellaneous equipment	824,261	115,298	(76,845)	23,077	(13,241)	872,550
Construction in progress	1,159,586	396,551	-	(440,349)	(9,978)	1,105,810
Total cost	18,640,558	$ 776,041	($ 372,628)	$ 395,314	($ 332,704)	19,106,581
Accumulated depreciation						
Buildings	1,715,855	$ 310,307	($ 38,713)	$ -	($ 24,813)	1,962,636
Machinery and equipment	3,599,270	767,065	(224,041)	1,952	(65,618)	4,078,628
Transportation equipment	151,723	29,000	(23,238)	-	(2,517)	154,968
Miscellaneous equipment	566,361	98,757	(73,708)	(1,952)	(8,088)	581,370
Total accumulated depreciation	6,033,209	$1,205,129	($ 359,700)	$ -	($ 101,036)	6,777,602
Property, plant and equipment	$12,607,349					$12,328,979
2020						
Cost						
Land	$ 581,313	$ 781	$ -	$ -	($ 4,038)	$ 578,056
Buildings	5,611,257	67,597	(46,164)	2,063,445	(197,915)	7,498,220
Machinery and equipment	8,316,200	96,778	(315,279)	400,203	(194,039)	8,303,863
Transportation equipment	282,764	5,972	(14,756)	9,054	(6,462)	276,572
Miscellaneous equipment	766,544	58,303	(28,048)	34,668	(7,206)	824,261
Construction in progress	2,497,643	652,046	-	(1,949,357)	(40,746)	1,159,586
Total cost	18,055,721	$ 881,477	($ 404,247)	$ 558,013	($ 450,406)	18,640,558
Accumulated depreciation						
Buildings	1,501,330	$ 252,131	($ 29,955)	$ 4,936	($ 12,587)	1,715,855
Machinery and equipment	3,149,952	804,326	(305,722)	(4,633)	(44,653)	3,599,270
Transportation equipment	133,778	31,610	(12,289)	1,181	(2,557)	151,723
Miscellaneous equipment	504,599	91,122	(24,530)	(3,324)	(1,506)	566,361
Total accumulated depreciation	5,289,659	$1,179,189	($ 372,496)	($ 1,840)	($ 61,303)	6,033,209
Accumulated impairment						
Buildings	4,727	$ -	($ 4,235)	$ -	($ 492)	-
Property, plant and equipment	$12,761,335					$12,607,349

The Company is located in Hemei Town, Changhua County, with an area of 55 square meters in the Hemei section of land (recorded as freehold land for NT$264 thousand), 2,597 square meters in the Zhongxiao section of land (recorded as self-owned land for NT$8,773 thousand), and 5,034 square meters in the Tiaoxing section of land (recorded as freehold land for NT$40,392 thousand). These are agricultural lands temporarily registered in the names of others, with the Corporation as the right holder and establishment of a certificate of other rights which stipulates that the Corporation has the ownership of the land.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	5 to 60 years
Electromechanical power equipment	3 to 20 years
Engineering system	5 to 25 years
Others	3 to 10 years
Machinery and equipment	2 to 16 years
Transportation equipment	2 to 11 years
Miscellaneous equipment	2 to 35 years

Property, plant and equipment pledged as collateral for long-term borrowings are set out in Note 30.

XIV. Lease Agreements

(I) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amounts		
Land	$ 1,334,898	$ 1,404,822
Buildings	127,137	145,020
Transportation equipment	1,571	2,410
	$ 1,463,606	$ 1,552,252

	2021	2020
Addition of right-of-use assets	$ 17,135	$ 7,536
Depreciation charge for right-of-use assets		
Land	$ 35,212	$ 34,708
Buildings	33,343	43,179
Transportation equipment	821	800
	$ 69,376	$ 78,687

The land leased by the Group in Wuxi, mainland China has been sub-leased as an operating lease since 2014, and the relevant right-of-use assets are recorded as investment properties. Please refer to Note 15. The above-mentioned amount of right-of-use assets does not include right-of-use assets that meet the definition of investment properties.

(II) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amounts		
Current	$ 30,458	$ 27,514
Non-current	96,613	113,528
	$ 127,071	$ 141,042

The discount rate ranges for lease liabilities are as follows:

	December 31, 2021	December 31, 2020
Buildings	0.98%-5.00%	1.67%-5.00%
Transportation equipment	3.85%	3.85%

(III) Material leasing activities and terms

The Group has leased land and buildings for plants, offices, employee dormitories or operation production and warehousing. Lease terms range from 1–50 years. No right of first refusal is attached to such leased properties at the end of lease term.

(IV) Sublease

The sublease transactions of the Group are explained in Note 15.

(V) Other lease information

Lease arrangements under operating leases of the Group as lessor of investment properties are set out in Note 15.

	2021	2020
Expenses relating to short-term leases	$ 12,587	$ 11,807
Expenses relating to low-value asset leases	$ 18,367	$ 24,791
Total cash ioutflow from leasing activities.	($ 97,699)	($ 78,150)

No right-of-use assets and lease liabilities shall be recognized for buildings qualified for short-term lease and other equipment qualified for low-value asset when the Group elects to apply recognition exemption.

XV. Investment Property

2021	Beginning Balance of the Year	Addition	Net Exchange Translation Adjustment	Ending Balance of the Year
Cost				
Completed investment properties	$ 172,482	$ -	($ 922)	$ 171,560
Right-of-use assets	16,119	-	(86)	16,033
Total cost	188,601	$ -	($ 1,008)	187,593
Accumulated depreciation				
Completed investment properties	38,112	$ 5,648	($ 217)	43,543
Right-of-use assets	794	396	(5)	1,185
Total accumulated depreciation	38,906	$ 6,044	($ 222)	44,728
Net amount of investment properties	$ 149,695			$ 142,865
2020				
Cost				
Completed investment properties	$ 169,819	$ -	$ 2,663	$ 172,482
Right-of-use assets	15,870	-	249	16,119
Total cost	185,689	$ -	$ 2,912	188,601
Accumulated depreciation				
Completed investment properties	31,945	$ 5,509	$ 658	38,112
Right-of-use assets	391	386	17	794
Total accumulated depreciation	32,336	$ 5,895	$ 675	38,906
Net amount of investment properties	$ 153,353			$ 149,695

Right-of-use assets classified as investment properties are the land in Wuxi, China, which the Group subleases under operating lease.

The term of the sublease of the investment properties is 7 years, with an option to extend for an additional 5 years. When the lessee exercises the option, the original contract is extended. The lessee does not have bargain purchase option to acquire the investment properties at the expiry of the lease period.

Lease payments that the Corporation will receive in the future for leasing investment properties under operating leases are as follows:

	December 31, 2021	December 31, 2020
Year 1	$ 16,780	$ 16,907
Year 2	18,665	16,907
Year 3	19,293	18,807
Year 4	19,293	19,439
Year 5	4,823	19,439
More than 5 years	-	4,860
	$ 78,854	$ 96,359

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Completed investment properties	20 years
Right-of-use assets	50 years

The investment properties located at Wuxi, China, are the plant and land used for leasing. Because the market for comparable properties is inactive and alternative reliable measurements of fair value are not available, the Group determined that the fair value of the investment properties is not reliably measurable.

XVI. Goodwill

	2021	2020
Cost		
Balance at January 1	$ 204,735	$ 220,774
Impairment losses	(8,277)	(8,660)
Effect of foreign currency exchange differences	(5,417)	(7,379)
Balance at December 31	$ 191,041	$ 204,735

XVII. Other Assets

	December 31, 2021	December 31, 2020
Current		
Tax overpayment for offset with future tax payable	$ 509,005	$ 458,446
Prepayments	95,645	71,750
Prepaid expenses	33,401	35,442
Others	41,113	109,252
	$ 679,164	$ 674,890
Non-current		
Refundable deposits	$ 51,547	$ 23,467
Others	18,458	26,133
	$ 70,005	$ 49,600

XVIII. Borrowings

(I) Short-term borrowings

	December 31, 2021	December 31, 2020
Line of credit borrowings	$ 2,863,774	$ 3,981,840
Line of credit borrowings (%)	0.71-4.05	0.75-2.95

(II) Long-term borrowings

	December 31, 2021	December 31, 2020
Line of credit borrowings – from January 2022 to December 2026	$ 4,624,644	$ 5,657,928
Secured loans – from May 2024 to August 2026	1,199,075	1,377,951
	5,823,719	7,035,879
Less: Current portion	(576,310)	(1,182,322)
Long-term borrowings	$ 5,247,409	$ 5,853,557
Rate of interest per annum (%)		
Line of credit borrowings	0.70-3.75	0.74-1.75
Line of secured loans	1.79-2.71	1.79-2.39

Please refer to Note 30 for the details of long-term borrowings secured by the Group's assets.

The Corporation signed a syndicated loan of NT$1.5 billion from financial institutions including Bank of Taiwan in July 2021 for the purpose of repaying loans from financial institutions and enriching the medium-term working capital. The validity period of the contract is 5 years. The credit line is divided into lines A and B: line A is a medium-term loan line of NT$1.5 billion, and line B is NT$900 million as the guarantee for the issuance of commercial promissory notes. The two lines share no more than the total credit line in force at that time, and can revolve within the term of the credit contract. According to the provisions of the loan contract, the Corporation shall achieve the following in the annual consolidated financial statements during the loan period:

1. The current ratio [current assets ÷ current liabilities] shall not be less than 100%;

2 The debt ratio [(total liabilities - advance real estate receipts (classified as contract liabilities - current)] / tangible net assets) shall be less than or equal to 180%;

3. The Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall be more than or equal to 4 times, and

4. The tangible net assets [total equity - intangible assets] not less than NT$6 billion.

Furthermore, the Corporation cannot dispose any material assets or rights and repurchase stocks or reduce capital without the permissions of the creditor banks during the loan period.

In order to repay the loans, support overseas investment and provide sufficient operation funds, Paiho Shih Holdings Corporation obtained a syndicated loan with a credit line of US$220 million from KGI Commercial Bank and multiple financial institutions in July 2021. According to the provisions of the loan contract, Paiho Shih Holdings Corporation shall achieve the following in the annual consolidated financial statements during the loan period:

1. The current ratio [current assets ÷ current liabilities minus advance real estate receipts (classified as contractual liabilities – current)] not less than 100%;

2 The debt ratio [total liabilities minus advance real estate receipts (classified as contractual liabilities – current) ÷ net tangible assets] not higher than 200%;

3. The interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] not less than 3 times and;

4. The tangible net assets [total equity - intangible assets] not less than NT$3.5 billion.

Furthermore, Paiho Shih Holdings Corporation cannot dispose any material assets or rights and repurchase stocks or reduce capital without the permissions of the creditor banks during the loan period.

XIX. Other Payables

	December 31, 2021	December 31, 2020
Payables for salaries and bonuses	$ 975,498	$ 868,365
Payables for purchases of building and equipment	21,767	89,258
Payables for compensation of employees and remuneration of directors	116,598	85,208
Others	546,038	532,767
	$ 1,659,901	$ 1,575,598

XX. Retirement Benefit Plan

(I) Defined allocation plans

The Corporation adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China and Vietnam and Indonesia are members of a state-managed retirement benefit plans operated by the governments of China and Vietnam. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plans is to make the specified contributions.

(II) Defined benefit plans

The defined benefit plans adopted by the Corporation in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the

Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 485,851	$ 501,780
Fair value of plan assets	(219,751)	(218,837)
Net defined benefit liabilities	$ 266,100	$ 282,943

Movements in the fair value of the plan liabilities (assets) were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2021	$ 501,780	($ 218,837)	$ 282,943
Service costs			
Current service cost	17,059	-	17,059
Plan components	(446)	-	(446)
Net interest expense (income)	1,456	(634)	822
Recognized in profit or loss	18,069	(634)	17,435
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,190)	(3,190)
Actuarial loss - changes in demographic assumptions	1,056	-	1,056
Actuarial loss - changes in financial assumptions	(21,605)	-	(21,605)
Actuarial loss - experience adjustments	2,508	-	2,508
Recognized in other comprehensive income	(18,041)	(3,190)	(21,231)
Contributions from the employer	-	(13,047)	(13,047)
Benefits paid	(15,957)	15,957	-
Balance at December 31, 2021	$ 485,851	($ 219,751)	$ 266,100
Balance on January 1, 2020	$ 449,903	($ 192,638)	$ 257,265
Service costs			
Current service cost	16,576	-	16,576
Plan components	(1,675)	-	(1,675)
Net interest expense (income)	3,244	(1,372)	1,872
Recognized in profit or loss	18,145	(1,372)	16,773
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,435)	(6,435)
Actuarial loss - changes in demographic assumptions	22	-	22
Actuarial loss - changes in financial assumptions	24,998	-	24,998
Actuarial loss - experience adjustments	14,116	-	14,116
Recognized in other comprehensive income	39,136	(6,435)	32,701
Contributions from the employer	-	(23,796)	(23,796)
Benefits paid	(5,404)	5,404	-
Balance at December 31, 2020	$ 501,780	($ 218,837)	$ 282,943

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2 Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.70%	0.30%
Expected rates of salary increase	2.00%	2.00%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
0.25% increase	($ 12,879)	($ 14,067)
0.25% decrease	$ 13,455	$ 14,726
Expected rate of salary increase		
0.25% increase	$ 13,217	$ 14,147
0.25% decrease	($ 12,720)	($ 13,588)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2021	December 31, 2020
Expected contributions to the plan for the next year	$ 3,720	$ 3,821
Average duration of the defined benefit obligation	9 years	10 years

Paiho Int'l Limited, Paiho Group Inc., Paiho Holdings Limited, Braits Company Limited, Pailon International Trading Limited, Hon Shih Corp., He Mei Xing Ye Company Ltd. and Zhong Yuan Xing Ye Company Ltd. are foreign corporations which have not established pension plan. Hong Kong Antex Limited has no employee. Therefore, the corporation has not established a pension plan.

Paiho North America Corporation has not established a pension plan.

XXI. Maturity Analysis of Assets and Liabilities

The current and non-current classifications of the Consolidated Company's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More than 1 Year	Total
December 31, 2021			
Asset			
Trade receivables	$ 439	$ -	$ 439
Other receivables	3,086	-	3,086
Inventory - construction	2,756,659	-	2,756,659
Other current assets	126,713	-	126,713
	$ 2,886,897	$ -	$ 2,886,897
Liabilities			
Trade payables	$ 338,749	$ -	$ 338,749
Other payables	156,420	-	156,420
Contractual liabilities	954,748	-	954,748
	$ 1,449,917	$ -	$ 1,449,917
December 31, 2020			
Asset			
Other receivables	$ 7,103	$ -	$ 7,103
Inventories – construction	2,252,222	882,354	3,134,576
Other current assets	183,234	-	183,234
	$ 2,442,559	$ 882,354	$ 3,324,913
Liabilities			
Trade payables	$ 112,180	$ -	$ 112,180
Other payables	89,267	-	89,267
Contractual liabilities	3,238,327	-	3,238,327
	$ 3,439,774	$ -	$ 3,439,774

XXII. Equity

(I) Common stock

	December 31, 2021	December 31, 2020
Number of shares authorized (thousand shares)	380,000	380,000
Shares authorized	$ 3,800,000	$ 3,800,000
Number of shares issued and fully paid (in thousands)	297,964	297,964
Shares issued	$ 2,979,639	$ 2,979,639

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

(II) Capital surplus

The capital surplus which belongs to the premium of stock issuance, the difference between the actual price of the equity of the subsidiary acquired or disposed of and the book value, and donated assets can be used to make up for losses, and can also be used for cash distribution or share capital appropriation when the Corporation has no loss. For share capital appropriation, it is limited to a certain ratio of paid-in capital every year.

(III) Retained earnings and dividend policy

According to the earnings distribution policy of the Corporation's Articles of Incorporation, if there are earnings in the Corporation's annual final accounts, the Corporation shall first pay taxes to make up for the accumulated loss over the years, and 10% shall be allocated as the legal reserve, and a special reserve shall be allocated or reversed in accordance with the regulations or the competent authority's requirement. If there is still a surplus, the balance shall be added to the accumulated undistributed earnings of the previous year, and the board of directors shall draft a distribution proposal accordingly. When new shares are to be issued for it, the decision shall be submitted to the shareholders' meeting for a resolution before distribution.

When all or part of the Corporation's dividends and bonuses, legally distributable legal reserve and capital surplus are distributed in cash, in accordance with Item 5, Article 240 of the Company Act, the board of directors is authorized to make a resolution in a board meeting attended by more than two-thirds of the directors, with the approval of more than half of the attending directors obtained; the resolution shall be reported to the shareholders' meeting.

Please refer to Note 24(3) Remuneration of Employees and Directors for the distribution policy of remuneration for employees and directors which is stipulated in the Articles of Incorporation of the Corporation.

In addition, in accordance with the provisions of the Corporation’s Articles of Incorporation that the dividend policy shall be in line with the overall environment and the characteristics of the mature industry, with consideration of the impact of future expansion of operations, capital requirements and taxation on the Corporation and shareholders, the Corporation’s dividend distribution will be adjusted according to its profitability to maintain a stable growth of earnings per share; the dividend distribution ratio shall be no less than 25% of the current year’s after-tax earnings after making up for the previous year’s losses, the allocation of legal reserve, and the deduction of the other undistributed earnings of the current year. The cash dividend shall not be less than 15% of the total dividends, and the rest shall be paid in stocks.

The legal reserve shall be allocated until the balance reaches the total paid-in share capital of the Corporation. The legal reserve can be used to make up for losses. When the Corporation has no losses, the portion of the legal reserve exceeding 25% of the total paid-in share capital can be allocated in cash in addition to being allocated to capital.

Resolutions made during the shareholders’ meetings held on July 8, 2021 and June 10, 2020, respectively, were:

	2020	2019
Legal reserve	$ 153,010	$ 152,218
Special reserve	$ 123,855	$ 217,613
Cash dividend	$ 893,892	$ 893,892
Cash dividend per share (NT$)	$ 3	$ 3

The appropriations of earnings for 2021, which were proposed or resolved by the Corporation’s board of directors on March 25, 2022 were as follows:

	2021
Legal reserve	$ 207,367
Special reserve	$ 164,901
Cash dividend	$ 1,042,874
Cash dividend per share (NT$)	$ 3.5

Regarding the appropriations of earnings for 2021, the amount of special reserve is subject to the resolution of the shareholders in their meeting to be held on June 24, 2022.

(IV) Special reserve

The special reserve allocated for the conversion difference of the financial statements of foreign operating agencies (including subsidiaries) has been reversed based on the disposal ratio and due to the liquidation of the subsidiaries. When distributing the earnings, the difference between the net deduction of other shareholders' equity and the special reserve stated in the first application of IFRSs should be added to the special reserve at the end of the reporting period. Reversal of the net deduction of other shareholders' equity may be appropriated when it is subsequently reverted.

XXIII. Revenue and Costs

	2021	2020
Revenue from contracts with customers		
Revenue from sale of goods	$ 14,823,696	$ 12,917,276
Revenue from sale of real estate	3,464,090	1,728,001
	$ 18,287,786	$ 14,645,277
Operating cost		
Cost of goods sold	$ 9,188,399	$ 8,220,959
Cost of real estate sold	2,170,866	1,048,393
	$ 11,359,265	$ 9,269,352

Contract Balance

	December 31, 2021	December 31, 2020
Contractual liabilities – current		
Sales of real estate	$ 954,748	$ 3,238,327
Sale of goods	35,865	-
	$ 990,613	$ 3,238,327

XXIV. Net Profit from Continuing Operations

(I) Finance costs

	2021	2020
Interest on bank borrowings	$ 132,947	$ 186,725
Interest on lease liabilities	4,950	5,863
	$ 137,897	$ 192,588

Information about capitalized interest:

	2021	2020
Capitalized interest amount	$ 19,673	$ 41,939
Capitalization rate (%)	1.79-2.33	1.27-3.42

(II) Employee benefit expenses, depreciation and amortization expenses

By Nature	Operating Costs	Operating Expenses and Non-operating Expenses	Total
2021			
Short-term employee benefits	$ 1,941,245	$ 1,821,783	$ 3,763,028
Retirement Benefit Plan			
Defined contribution plans	125,741	65,751	191,492
Defined benefit plans (Note 20)	1,328	16,107	17,435
Other employee benefits	152,496	64,064	216,560
Depreciation expenses	1,042,298	238,251	1,280,549
Amortization expense	93	738	831
2020			
Short-term employee benefits	1,794,145	1,493,149	3,287,294
Retirement Benefit Plan			
Defined contribution plans	99,091	41,185	140,276
Defined benefit plans (Note 20)	1,689	15,084	16,773
Other employee benefits	129,735	68,560	198,295
Depreciation expenses	999,582	264,189	1,263,771
Amortization expense	-	253	253

(III) Employees' compensation and remuneration of directors

According to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020 which have been resolved by the Corporation's board of directors on March 25, 2022 and March 24, 2021, respectively, were as follows:

	2021		2020	
Cash	Accrual Rate	Amount	Accrual Rate	Amount
Employees' compensation	1.38%	$ 36,220	1.44%	$ 27,288
Remuneration of directors	0.89%	23,347	0.93%	17,589

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The actual appropriations to employees and directors for the period of 2020 and 2019 were different from the amount recognized in the corresponding consolidated financial reports. The differences were adjusted to the profit and loss in the period of 2021 and 2020, respectively.

	2020		2019	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amount resolved in the board of directors' meeting	$ 27,288	$ 17,589	$ 26,767	$ 17,254
Amount recognized in annual financial statement	$ 27,367	$ 17,654	$ 27,110	$ 17,475

Information on the compensation of employee and remuneration of directors resolved by the board of directors for the period of 2022 and 2021 is available on the Market Observation Post System website of the TWSE.

(IV) Gains or losses on foreign currency exchange

	2021	2020
Foreign exchange gains	$ 216,060	$ 117,063
Foreign exchange losses	(233,535)	(200,003)
Net loss	($ 17,475)	($ 82,940)

XXV. Income Taxes

(I) Major components of income tax expense recognized in profit or loss

	2021	2020
Current tax		
In respect of the current year	$ 1,049,073	$ 787,776
Income tax on unappropriated earnings	17,448	7,927
Adjustment for previous year	(127,559)	(33,723)
Land value increment tax	253,847	73,244
	1,192,809	835,224
Deferred tax		
In respect of the current year	168,038	45,778
Adjustments to deferred tax attributable to changes in tax rates and laws	-	2,145
	168,038	47,923
Income tax expense recognized in profit or loss	$ 1,360,847	$ 883,147

A reconciliation of accounting profit and income tax expense is as follows:

	2021	2020
Income tax expense calculated at the statutory rate	$ 1,766,346	$ 1,202,310
Permanent differences	(539,076)	(300,724)
Tax credits of research and development expenses	(26,608)	(5,621)
Temporary differences	51,336	(14,669)
Income tax on unappropriated earnings	17,448	7,927
Deduction of loss incurred in the current period	(5,301)	(53)
Adjustments for prior years' tax	(127,559)	(33,723)
Adjustments to deferred tax attributable to changes in tax rates and laws	-	2,145
Land value increment tax	253,847	73,244
Tax cut on repatriated funds	(29,586)	(47,689)
Income tax expense recognized in profit or loss	$ 1,360,847	$ 883,147

The corporate income tax rate is 20% according to the Income Tax Act in the ROC. The applicable tax rate used by subsidiaries in China was 25%. Tax rates used by other entities in the Group which operate in other jurisdictions were based on the tax laws in those jurisdictions.

Wuxi Paiho Textile Co., Limited and Dongguan Paihong Industry Co., Ltd were originally levied at an income tax rate of 25%, subject to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China (New Enterprise Income Tax Law) and its implementation regulations. The administrative measures stipulate that if an enterprise applies for Measures for the Administration of Accreditation of New and High Technology Enterprises that is determined to be supported by the state and needs to enjoy a preferential tax rate of 15%, it shall be valid for 3 years. Wuxi Paiho Textile Co., Limited obtained the new and high technology enterprises certificate in 2010 and reviewed it in 2013 and re-applied for and obtained new certificate in 2016 and 2019. Therefore, the preferential tax rate will be 15% until 2021. Dongguan Paihong Industry Co., Ltd has obtained the new and high technology enterprises certificate since 2015 and passed the re-application in 2018 and 2021. Therefore, the preferential tax rate will continue to be 15% until 2023.

Wuxi Paihong Real Estate Co., Ltd. and Wuxi Paiwei Biotechnology Co., Ltd. have an income tax rate of 25%.

PT. Paiho Indonesia income tax rate for 2021 and 2020 is 22%.

Vietnam Paiho Limited's income tax rate for 2021 and 2020 is 20%. According to Vietnam tax law applicable for foreign investment, profits generated by newly made investment are entitled for “2-year exemption and 2-year half payment” preferential treatment starting from the year of such profits.

Vietnam Paihong Limited Company is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption for six years beginning from the first year that profit is earned - full exemption in the first two years and half exemption in the next four years (original tax rate is 20%). In addition, the loss period is limited to three years; if the loss is sustained for three consecutive years, the fourth year would be the first year of the tax exemption period.

According to the temporary provisions for land value added tax of the People's Republic of China effective January 1, 1994 and its implementation regulations effective January 27, 1995, when transferring government-owned land use rights, buildings, and related facilities in China, for the increase in value, there should be a 30% to 60% progressive tax rate calculated. If the increase in value is not exceed 20% of the total amount of the items that can be deducted, the sales of regular household is exempted from the provisions and regulations.

The Group, based on the request of the local tax authority, needs to make partial prepayment for land value added taxes (classified as other current assets – other) for presale of properties and sales of properties.

(II) Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of the current year:		
Remeasurement of defined benefit plans	$ 2,067	($ 3,401)
Translation of foreign operations	(41,225)	(23,475)
	($ 39,158)	($ 26,876)

(III) Deferred tax assets and liabilities

Changes of deferred tax assets and liabilities:

2021	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory value decline	$ 57,640	($ 991)	$ -	$ 56,649
Defined benefit obligation	29,587	(2,097)	(2,067)	25,423
Profit from associates	12,918	(1,858)	-	11,060
Doubtful debts	7,879	1,790	-	9,669
Exchange difference on foreign operations	84,446	-	41,225	125,671
Unrealized foreign currency exchange loss	5,310	(2,928)	-	2,382
Others	87,812	35,692	-	123,504
	$ 285,592	$ 29,608	$ 39,158	$ 354,358
Deferred tax liabilities				
Temporary differences				
Unappropriated earnings of subsidiaries	$ 1,126,739	$ 152,831	$ -	$ 1,279,570
Others	59,631	44,815	-	104,446
	$ 1,186,370	$ 197,646	$ -	$ 1,384,016

2020	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory value decline	$ 43,604	$ 14,036	$ -	$ 57,640
Defined benefit obligation	30,261	(4,075)	3,401	29,587
Profit from associates	17,058	(4,140)	-	12,918
Doubtful debts	8,333	(454)	-	7,879
Exchange difference on foreign operations	60,971	-	23,475	84,446
Unrealized foreign currency exchange loss	3,188	2,122	-	5,310
Others	25,604	62,208	-	87,812
	$ 189,019	$ 69,697	$ 26,876	$ 285,592
Deferred tax liabilities				
Temporary differences				
Unappropriated earnings from subsidiaries	$ 1,023,109	$ 103,630	$ -	$ 1,126,739
Others	45,641	13,990	-	59,631
	$ 1,068,750	$ 117,620	$ -	$ 1,186,370

(IV) Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2021	December 31, 2020
Loss carryforwards		
Expiry in 2022	$ 44,476	$ 44,476
Expiry in 2023	272,340	272,340
Expiry in 2024	450,751	450,751
Expiry in 2025	507,853	507,853
Expiry in 2026	363,048	-
Expiry in 2030	-	213
	$ 1,638,468	$ 1,275,633

(V) Income tax assessments

The tax filings for the Corporation and Spring Rich Limited as of the end as of the end of 2019 have been verified by the tax collection agency.

XXVI. Earnings per Share

	Net Profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings per Share (NT$)
2021			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 2,059,783	297,964	$ 6.91
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	522	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 2,059,783	298,486	$ 6.90
2020			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 1,551,805	297,964	$ 5.21
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	482	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 1,551,805	298,446	$ 5.20

The Group offered to settle compensation paid to employees in cash or shares; thus, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XXVII. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased and the amount of new debt issued or existing debt redeemed.

XXVIII. Financial Instruments

(I) Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

(II) Fair value of financial instruments measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2021	Level 1	Level 2	Level 3
Financial assets at FVTOCI			
Investments in equity instruments			
–Foreign unlisted shares	$ -	$ -	$ -
December 31, 2020			
Financial assets at FVTOCI			
Financial products	$ -	$ 664,182	$ -
Financial assets at FVTOCI			
Investments in equity instruments			
–Foreign unlisted shares	$ -	$ -	$ -

There was no transfer of fair value measurement between level 1 and level 2 during 2021.

2 Adjustments of Level 3 fair value measurements of financial instruments

Financial assets at FVTOCI – equity instruments

	2020
Beginning balance	$ 30,395
Recognition in other comprehensive income of unrealized gain/(loss) on financial assets at FVTOCI	(29,958)
Translation adjustment	(437)
Ending balance	$ -

3. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Techniques and Inputs
Structured deposits	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

(III) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL	$ -	$ 664,182
Financial assets at amortized cost (Note 1)	7,416,806	9,891,518
Financial Liabilities		
At amortized cost (Note 2)	11,348,342	13,298,013

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposits, notes receivable, trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables and long-term borrowings, finance lease payable, guarantee deposits received.

(IV) Financial risk management objective and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(1) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD, the VND, the RMB and the HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the Group's entities against the USD, the VND, the RMB and the HKD. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the Group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the Group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

Currency	Impact on Profit and Loss	
	2021	2020
USD	$ 10,521	$ 9,969
RMD	632	415
VND	388	775
HKD	305	339

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in currency USD, VND, RMB and HKD which were not hedged at the end of the reporting period.

In the management's opinion, sensitivity analysis was unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
Short-term borrowings	$ 316,645	$ 1,039,856
Lease liabilities	127,071	141,042
Interest rate risk on cash flow		
Short-term borrowings	2,547,129	2,941,984
Long-term borrowings (Including current portion)	5,823,719	7,035,879

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the interest rate had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by $20,927 thousand and 24,945 thousand, respectively.

2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's believes the Group's credit risk was significantly reduced.

Accounts receivable consisted of different customers from various industries and geographical locations. The Group continues to assess financial status of customers its accounts receivable are exposed to.

3. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loan facilities of $13,695,039 thousand and $8,320,740 thousand, respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Non-derivative Financial Liabilities	Within 3 Months	3 Months to 1 Year	More than 1 Year
December 31, 2021			
No-interest bearing	$ 2,469,519	$ 174,969	$ 16,361
Lease liabilities	8,728	25,762	107,437
Short-term borrowings	704,996	2,158,778	-
Long-term borrowings	73,352	502,958	5,247,409
	$ 3,256,595	$ 2,862,467	$ 5,371,207
December 31, 2020			
No-interest bearing	$ 1,836,871	$ 426,340	$ 17,083
Lease liabilities	8,004	24,400	128,919
Short-term borrowings	1,751,856	2,229,984	-
Long-term borrowings	166,473	1,015,849	5,853,557
	$ 3,763,204	$ 3,696,573	$ 5,999,559

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	More than 20 Years
December 31, 2021						
Lease liabilities	$34,490	$73,784	$14,453	$ 4,800	$ 4,800	$ 9,600
December 31, 2020						
Lease liabilities	$32,404	$84,549	$24,210	$ 4,800	$ 4,800	$10,560

XXIX. Transactions with Related Parties

Balances and transactions between the Corporation and its subsidiaries (which are related parties of the Corporation) have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Consolidated Company and other related parties are disclosed below.

(I) Name of related party and relationship

Name of Related Party	Relationship with the Consolidated Company
A-Wei Cheng Chen	Other related parties
Cheng-Tsung Cheng	Other related parties
Ming-Chang Chiang	Other related parties
Huan-Tung Tseng	Other related parties
Mei-Ting Yang	Other related parties
Kuo-Chih Lai	Other related parties
Po-Hsun Huang	Other related parties

(II) Sales of goods

Category/Name of Related Party	2021	2020
Other related parties	$ -	$ 13,233

Others refer to sale of construction assets - Paiho International Mansion at subscription price, which was approved in the local filing.

(III) Lease agreements

Accounting Item Posted	Category/Name of Related Party	December 31, 2021	December 31, 2020
Lease liabilities	Other related parties	$ 22,630	$ 23,206

Category/Name of Related Party	2021	2020
Interest expense		
Other related parties	$ 384	$ 394
Lease expenses (included in cost of goods sold and operating expense)		
Other related parties	$ 1,890	$ 1,601

Rental rates are based on the rental rates of nearby properties and set out by mutual agreement.

(IV) Compensation of key management personnel

	2021	2020
Short-term employee benefits	$ 252,754	$ 184,030
Retirement Benefit Plan	465	460
	$ 253,219	$ 184,490

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

XXX. Assets Pledged as Collateral or for Security

The following assets of the Group have been provided as collateral for long-term bank loans, bank guarantees and the power company's guarantee funds:

	December 31, 2021	December 31, 2020
Financial assets at amortized cost	$ 9,830	$ 29,143
Property, plant and equipment	577,590	841,768
	$ 587,420	$ 870,911

XXXI. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group at December 31, 2021 and 2020 were as follows:

(I) The Group's unrecognized commitments

	December 31, 2021	December 31, 2020
Acquisition of property, plant and equipment	$ 570,737	$ 537,454

(II) As of December 31, 2021 and 2020, the Group had signed construction contracts but not yet paid for approximately $731,551 thousand and $1,323,104 thousand, respectively.

(III) As of December 31, 2021, the Group had signed contracts of presold real estate. Information is set out below.

Construction Project Name	Total Amount (Including Tax)	Amount Received
Paiho international mansion	$ 426,720	$ 276,265
Paiho business plaza	825,522	678,483
	$ 1,252,242	$ 954,748

(IV) The Corporation signed a 10-year technology sales contract with a non-related party in July 2008, and the Corporation obtained the expertise in the production of injection molded Velcro. According to the contract, the Corporation is required to pay a premium of US$281 thousand each year, and an additional premium will be paid according to a certain percentage of the sales volume at the end of each year. The contract has been extended for another 10 years since the expiration in 2018.

(V) The shareholders' meeting of the Corporation resolved in a special session dated September 2, 2010 for entering into the "Comprehensive Agreement on the Use of Trademarks and Patents, Sale Region Partitioning, and Related-Party Transactions" between the Corporation and Paiho Shih Holdings Corporation. Paiho Shih Holdings Corporation promised to purchase the equity shares issued by Paiho Europe, S.A. and the Paiho North America Corporation at fair value after listing at TWSE for trading or through its subsidiaries at the right time under the appraisal of professional institutions. In supporting the application of Paiho Shih Holdings Corporation for listing at TWSE, the shareholders' meeting of the Company resolved in regular session dated April 21, 2011 to amend the content of the above agreement in the aspects of the partition of sale regions and restriction of competition between the contracting parties. Affected by the poor operation environment, the Corporation has shut down its operation in Paiho Europe, S.A. As a result, Paiho Shih Holdings Corporation wrote to TWSE on February 27, 2014 informing that the subject company of the previous undertaking of "incorporating Paiho Europe, S.A. to the operation system" is no longer in existence and the aforementioned undertaking cannot be accomplished.

(VI) Subsidiaries of the Group that are property developers in Mainland China sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons). The amount of mortgage loans was remitted to the subsidiaries of the Group as payment for the property sold. If a customer breaches a mortgage contract, the subsidiaries of the Group will return to the banks only the amount of mortgage received. Therefore, the Group is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by the subsidiaries of the Group to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

XXXII. Other Matters

Due to impacts from the COVID-19 pandemic, global sales of consumer sports goods were cut sharply, and revenue from the Group's main and auxiliary materials went down accordingly in 2020. The Corporation, thus, applied and received subsidies of NT$32,772 thousand to cover employee salaries and operating capital.

XXXIII. Significant Assets and Liabilities Denominated in Foreign Currencies

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	December 31, 2021			December 31, 2020		
Financial assets	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
Monetary Items						
USD	$ 43,945	27.68	$1,216,398	$ 35,681	28.48	$1,016,195
VND	145,323,208	0.00120	173,661	186,368,069	0.00111	206,869
RMB	14,547	4.344	63,192	9,476	4.377	41,476
HKD	8,588	3.549	30,479	10,733	3.673	39,422
Financial Liabilities						
Monetary Items						
USD	5,935	27.68	164,281	679	28.48	19,338
VND	112,876,010	0.00120	134,887	116,549,314	0.00111	129,370
HKD	-	-	-	1,491	3.673	5,476

The Group is primarily exposed to risks of foreign currency exchange rates of USD, VND, RMB, and HKD. The information below is based on functional currencies of the entities in the Group against USD, VND, RMB, and HKD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

	2021		2020	
Functional currency	Exchange Rate	Net Foreign Exchange Gain and Loss	Exchange Rate	Net Foreign Exchange Gain and Loss
New Taiwan Dollar	1.0000	($ 36,989)	1.0000	($ 39,698)
USD	28.0088	4,367	29.5493	(14,138)
RMB	4.3413	(2,588)	4.2818	(28,091)
HKD	3.8093	17,735	3.8093	(1,013)
		($ 17,475)		($ 82,940)

XXXIV. Separately Disclosed Items

(I) Information about significant transactions and Information about significant transactions and (II) investees:

1. Financing provided to others: See Table 1.

2 Endorsement/guarantee provided: See Table 2.

3. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): See Table 3.

4. Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. See Table 4.

5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: See Table 5.

6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 6.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 7.

9. Trading in derivative instruments: None.

10. Others: Intercompany relationships and significant intercompany transactions: See Table 8.

11. Information on investees: See Table 9.

(III) Information on Investment in Mainland China

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss recognized, carrying amount of the investment at the year end, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table 10.

2 Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

(1) The amount and percentage of inventory purchase and the balance and percentage of the related payables at the end of the year: See Tables 6 and 8.

(2) The amount and percentage of sales and the balance and percentage of the related accounts receivable at the end of the year: See Tables 6 and 8.

(3) The amount of property transactions and the amount of the resultant gains or losses: None.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: See Table 2.

(5) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds: See Tables 1 and 8.

(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: See Table 8.

(IV) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 11.

XXXV. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group manages and allocates resources to research and development, manufacturing and sales of main and auxiliary materials and construction. The operating activities are the operation departments of research and development, manufacturing and sales of main and auxiliary materials and accessories products. The Group's reportable segments are Production, Powder Coating and Construction.

(I) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue		Segment Profit	
	2021	2020	2021	2020
Production	$ 14,642,121	$ 12,628,739	$ 2,842,487	$ 2,247,376
Powder Coating	181,575	288,537	26,742	10,435
Construction	3,464,090	1,728,001	1,108,583	551,221
Total from continuing operations	$ 18,287,786	$ 14,645,277	3,977,812	2,809,032
Interest income			88,745	80,151
Other income and benefits			147,350	107,844
Net foreign currency exchange loss			(17,475)	(82,940)
Finance costs			(137,897)	(192,588)
Other expenses and losses			(31,638)	(37,917)
Profit before income tax			$ 4,026,897	$ 2,683,582

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the years ended December 31, 2021 and 2020.

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, interest expense and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(II) Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

(III) Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	2021	2020
Webbings (Shoelaces)	$ 7,140,970	$ 6,622,934
Premises (contains parking space)	3,464,090	1,728,001
Touch Fastener	2,305,935	1,910,388
Elastic	2,097,737	1,738,990
Easy tape	1,403,529	1,299,206
Others	1,875,525	1,345,758
	$ 18,287,786	$ 14,645,277

(IV) Geographical information

The Corporation and its subsidiaries mainly operates in three locations – Taiwan, China and Vietnam

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	2021	2020	December 31, 2021	December 31, 2020
Taiwan	$ 3,301,788	$ 2,927,902	$ 2,657,873	$ 2,644,165
China	9,321,754	6,006,221	2,992,536	2,645,311
Vietnam	3,334,112	3,880,363	7,777,006	8,391,152
Others	2,330,132	1,830,791	1,317,365	1,211,074
	$18,287,786	$14,645,277	$ 14,744,780	$ 14,891,702

Non-current assets do not include assets that are classified as deferred tax assets.

(V) Information about major customers

In 2021 and 2020, no single customer accounted for at least 10% of the Group’s service revenue; therefore, no customer information is required to be disclosed.

Table 1

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Financing Provided to Others

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Number	Lender	Borrower	Item	Related Party	Highest Balance for the Period (Notes 4 and 6)	Ending balance of the Year (Notes 5 and 6)	Actual Borrowing Amount (Notes 5 and 8)	Interest Rate Range	Nature of Financing (Note 7)	Business Transaction Amount	Reason for Necessary Short-term Financing (Note 7)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 3)	Aggregate Financing Limit (Notes 1, 2 and 3)
													Name	Value		
1	Paiho Int'l Limited	Vietnam Paiho Limited	Receivable from related parties	Y	$ 469,598 (USD 16,042)	$ 348,307 (USD 12,583)	$ 348,307 (USD 12,583)	1.3%-3%	Necessary for long- and short-term financing	$ -	Operating capital	$ -	—	$ -	$ 6,936,839	$ 6,936,839
		PT. Paiho Indonesia	Receivable from related parties	Y	91,305 (USD 3,000)	83,040 (USD 3,000)	83,040 (USD 3,000)	1.3%-2.25%	Necessary for Long-term financing.	-	Operating capital	-	—	-	6,936,839	6,936,839
2	Dongguan Paihong Industry Co., Ltd.	Wuxi Paiho Textile Co. Limited	Receivable from related parties	Y	521,000 (RMB 120,000)	521,280 (RMB 120,000)	434,400 (RMB 100,000)	3.6%	Necessary for short-term financing.	-	Operating capital	-	—	-	648,305	1,296,610
3	Wuxi Paiho Textile Co. Limited	Wuxi Paiwei Biotechnology Co. Ltd	Receivable from related parties	Y	217,040 (RMB 50,000)	130,320 (RMB 30,000)	130,320 (RMB 30,000)	3.6%-4.35%	Necessary for short-term financing.	-	Operating capital	-	—	-	1,470,771	2.941.541
4	Paiho Shih Holdings Corporation	Hon Shin Corp.	Receivable from related parties	Y	472,430 (USD 17,000)	470,560 (USD 17,000)	470,560 (USD 17,000)	3-month TAIFX rate + 1.15%	Necessary for short-term financing.	-	Operating capital	-	—	-	2,463,106	2,463,106
		Vietnam Paihong Limited Company	Receivable from related parties	Y	1,603,863 (USD 55,500)	775,040 (USD 28,000)	775,040 (USD 28,000)	3-month USD Libor rate + 1.28%	Necessary for short-term financing.	-	Operating capital	-	—	-	2,463,106	2,463,106
5	Hon Shin Corp.	Vietnam Paihong Limited Company	Receivable from related parties	Y	674,500 (USD 22,338)	146,358 (USD 5,288)	146,358 (USD 5,288)	3-month USD Libor rate + 1.28% and 2.25%	Necessary for long- and short-term financing	-	Operating capital	-	—	-	1,793,814	1,793,814
6	Wuxi Paihong Real Estate Co., Ltd.	Wuxi Paiho Textile Co. Limited	Receivable from related parties	Y	434,000 (USD 100,000)	434,400 (USD 100,000)	434,400 (USD 100,000)	3.6%	Necessary for short-term financing.	-	Operating capital	-	—	-	523,368	1,046,737

Note 1: For borrowers with paid-in capital directly or indirectly owned over 50% by the Corporation, the individual amount for lending to a borrower shall not exceed the 20% of the borrowers' net worth. The total amount for lending shall not exceed 40% of the net worth of lender.

Note 2: The individual and total amount of lending to companies whose voting shares are 100% owned, directly or indirectly, by the Corporation shall not exceed 40% of the net worth of lender.

Note 3: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender' s net worth.

Note 4: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 5: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The ending balance amount has been approved by the board of directors.

Note 7: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 8: Significant intercompany accounts and transactions have been eliminated.

Table 2

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Endorsement/Guarantee Provided

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Number	Name of Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/Guarantee Given to Each Entity (Note 2)	Highest Endorsement/Guarantee Balance for the Current Period (Note 4)	Endorsement/Guarantee Balance at the End of the Period (Note 5)	Actual Borrowing Amount (Note 5)	Amount of Endorsement/Guarantee Secured by Assets	Ratio of Accumulated Endorsement/Guarantee Amount to Net Value in the Latest Financial Statement	Endorsement/Guarantee Limit (Note 3)	Endorsement/Guarantee by the Parent Company for the Subsidiary	Endorsement/Guarantee by the Subsidiary for the Parent Company	Endorsement/Guarantee for Companies in Mainland China
		Company Name	Relationship										
0	The Corporation	Paiho Int'l Limited	(Note 1)	$ 10,388,717	$ 172,365 (USD 6,000)	$ 83,040 (USD 3,000)	$ -	$ -	0.80%	$ 15,583,076	Y	–	–
		Zhong Yuan Xing Ye Company Ltd.	(Note 1)	10,388,717	115,655 (USD 4,000)	27,680 (USD 1,000)	-	-	0.27%	15,583,076	Y	–	–
		PT. Paiho Indonesia	(Note 1)	10,388,717	2,397,845 (USD 85,000)	1,882,240 (USD 68,000)	910,672 (USD 32,900)	-	18.12%	15,583,076	Y	–	–
1	Paiho Shih Holdings Corporation	Hon Shin Corp.	(Note 1)	6,157,764	3,175,280 (USD 113,000)	2,851,040 (USD 103,000)	16,608 (USD 600)	-	46.30%	9,236,646	–	–	–
		Vietnam Paihong Limited Company	(Note 1)	6,157,764	4,205,273 (USD 148,700)	4,032,976 (USD 145,700)	2,180,923 (USD 78,791)	-	65.49%	9,236,646	–	–	–
2	Hon Shin Corp.	Vietnam Paihong Limited Company	(Note 1)	1,793,814	60,160 (USD 2,000)	-	-	-	-	2,690,721	–	–	–

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: For the Corporation's endorsements and guarantees to a subsidiary with more than 50% of its voting shares held, and the endorsements and guarantees of Paiho Shih Holdings Corporation or Hon shin Corp. to an affiliated enterprise, the amount shall not exceed the net value of the Company, Paiho Shih Holdings Corporation or Hon shin Corp., respectively, and the total amount shall not exceed the limit of total endorsements/guarantees.

Note 3: For the Corporation's endorsements and guarantees to subsidiaries with more than 50% of their voting shares held by the Corporation, and the endorsements and guarantees of Paiho Shih Holdings Corporation or Hon shin Corp. to affiliated enterprises, the total amount shall not exceed 150% of the net value of the Corporation, Paiho Shih Holdings Corporation or Hon shin Corp., respectively.

Note 4: The maximum amount was translated into New Taiwan dollars using the maximum balance in foreign currency from the month it occurred multiplying with the prevailing exchange rate at the date of the transaction.

Note 5: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Table 3

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Marketable Securities Held

December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Securities Holding Company	Type and Name of Marketable Securities	Relationship with Securities Issuer	Financial Statement Account	Year End Balance				Remark
				Number of Shares	Carrying Amount (Notes 1 and 2)	Shareholding Ratio	Fair Value (Notes 1 and 2)	
	Equity							
Paiho Holdings Limited	Hong Kong Leader Elastic Limited	—	Financial assets at FVTOCI – non-current	7,500,000	$ -	14.29%	$ -	

Note 1: If the figures in this table involve foreign currencies, they are converted into New Taiwan dollars at the exchange rate on the balance sheet date.

Note 2: Please refer to Note 28 for fair value information.

Table 4

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Marketable Securities Acquired or Disposed of Costs or Prices of at Least NT$300 Million or 20% of the Paid-in Capital
January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Type and Name of Marketable Securities	Accounting subject	Counterparty	Relationship	Beginning Balance		Purchase		Sale				Year End Balance	
					Number of Shares	Amount (Note 2)	Number of Shares	Amount	Number of Shares	Amount	Carrying Value	Disposal Benefits	Number of Shares	Amount
Paiho Shih Holdings Corporation	Stock	Investments accounted for using equity method	Hon Shin Corp.	Subsidiaries	95,000,000	$ 1,094,697 (Note 2)	35,000,000	$ 973,350	-	$ -	$ -	$ -	130,000,000	$ 1,713,421 (Notes 2 and 5)
Hon Shin Corp.	Equity	Investments accounted for using equity method	Vietnam Paihong Limited Company	Subsidiaries	-	1,340,708 (Note 2)	-	973,350	-	-	-	-	-	1,976,325 (Notes 2 and 5)
Hong Kong Antex Limited.	Dongguan Paihong Industry Co., Ltd. Equity	Investments accounted for using equity method	Wuxi Paiho Textile Co., Limited	Subsidiaries	-	1,208,424 (Note 2)	-	-	-	2,822,739 (RMB 649,883)	1,121,307 (RMB 258,160) (Note 3)	(Note 4)	-	-
Hong Kong Antex Limited.	Wuxi Paiho Textile Co., Limited Stock	Investments accounted for using equity method	Paiho Int'l Limited and Wuxi Paisen Commerce Co., Ltd.	Parent company and fellow subsidiary	358,431,843	6,682,177	26,121,973	815,775 (RMB 187,817)	-	-	-	-	384,553,816	6,043,938
Wuxi Paiho Textile Co., Limited	Financial management products Fubon Bank (China) – The RMB Structured deposit of YUE-SHANG-YING (principal guaranteed)	Financial assets at FVTPL – current	—	—	-	-	-	940,576 (RMB 216,550)	-	940,576 (RMB 216,550)	940,576 (RMB 216,550)	-	-	-
Dongguan Paihong Industry Co., Ltd.	Financial management products Bank Sino Pac (China) - The RMB Structured deposit (capital guaranteed)	Financial assets at FVTPL – current	—	—	-	195,456 (RMB 45,000)	-	189,027 (RMB 43,520)	-	384,483 (RMB 88,520)	384,483 (RMB 88,520)	-	-	-

Note 1: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 2: The ending balance included investment income or loss from Investments accounted for using equity method and exchange differences on translating foreign operations.

Note 3: The carrying amount of the sale included the share of profit or loss from investments accounted for using the equity method and exchange differences on translating foreign operations.

Note 4: As the transaction is an organizational restructuring, it regarded as an equity transaction with no profit or loss from disposal.

Note 5: Significant intercompany accounts and transactions have been eliminated.

Table 5

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Acquisition of Individual Real Estate at Costs of at Least NT$300 Million or 20% of the Paid-in Capital

January 1 to December 31, 2021

(In Thousands of Foreign Currency)

Acquiring Company	Asset Name	Transaction Date or Occurrence Date	Amount (Note)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer if Counterparty is A Related Party				Pricing Reference	Purpose of Acquisition	Other Agreements
							Owner	Relationship	Transfer Date	Amount			
Wuxi Paihong Real Estate Co., Ltd.	Construction in progress	September 8, 2021	RMB 90,000	As of December 31, 2021, RMB 51,671 has been paid	China Construction Dongfang Decoration Co., Ltd.	—	—	—	—	$ -	Refer to market price and set out by mutual agreement	Operating purpose	—

Note: The amount of transactions are according to the contracts.

Table 6

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer/Seller	Counterparty (Note 2)	Relationship	Transaction Situation				Situation and Reason why Transaction Terms are Different from Ordinary Transactions		Notes/Trade Receivables (Payable)	
			Purchase/Sale	Amount (Note 2)	% to Total	Payment Terms	Unit Price	Payment Terms	Balance (Note 2)	Percentage of Total Notes and Trade Receivable (Payable)
The Corporation	Vietnam Paiho Limited	(Note 1)	(Sales)	$ 405,688	(9%)	About 3 months	Use market price or purchase cost plus 15%	About 3 months	$ 34,799	4%
	Dongguan Paihong Industry Co., Ltd.	(Note 1)	(Sales)	190,935	(4%)	About 3 months	Use market price or purchase cost plus 15%	About 3 months	36,237	5%
	Wuxi Paiho Textile Co., Limited	(Note 1)	(Sales)	252,210	(6%)	About 3 months	Use market price or purchase cost plus 15%	About 3 months	99,951	13%
Zhong Yuan Xing Ye Company Ltd.	PT. Paiho Indonesia	(Note 1)	(Sales)	239,396 (USD 8,440)	(100%)	About 3 months	Use market price or purchase cost	About 3 months	53,616 (USD 1,937)	100%
Wuxi Paiho Textile Co., Limited	Dongguan Paihong Industry Co., Ltd.	(Note 1)	(Sales)	307,512 (RMB 70,834)	(13%)	About 3 months	Use market price	About 3 months	127,574 (RMB 29,386)	54%
Vietnam Paihong Limited Company	Hon Shin Corp.	(Note 1)	(Sales)	438,459 (USD 15,654)	(74%)	About 3 months	Use market price	About 3 months	118,524 (USD 4,282)	83%

Note 1: Refer to Note 12 of the consolidated financial statements.

Note 2: Significant intercompany accounts and transactions have been eliminated.

Table 7

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Notes 1 and 3)	Turnover Rate (Times)	Amount of Overdue Receivables from Related Parties		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Method of Treatment		
Paiho Int'l Limited	Vietnam Paiho Limited	(Note 2)	$ 348,297 (USD 12,583)	-	$ -	—	$ 40,367 (USD 1,458)	$ -
Paiho Shih Holdings Corporation	Vietnam Paihong Limited Company	(Note 2)	775,777 (USD 28,027)	-	-	—	415,937 (USD 15,027)	-
	Hon Shin Corp.	(Note 2)	487,079 (USD 17,597)	-	-	—	16,519 (USD 597)	-
Dongguan Paihong Industry Co., Ltd.	Wuxi Paiho Textile Co. Limited	(Note 2)	435,814 (RMB 100,325)	-	-	—	1,412 (RMB 325)	-
Wuxi Paiho Textile Co. Limited	Wuxi Paiwei Biotechnology Co., Ltd.	(Note 2)	137,103 (RMB 31,562)	-	-	—	132,522 (RMB 30,507)	-
	Dongguan Paihong Industry Co., Ltd.	(Note 2)	127,653 (RMB 29,386)	3.52	-	—	127,653 (RMB 29,386)	-
Wuxi Paihong Real Estate Co., Ltd.	Wuxi Paiho Textile Co. Limited	(Note 2)	435,591 (RMB 100,274)	-	-	—	131,510 (RMB 30,274)	-
Hon Shin Corp.	Vietnam Paihong Limited Company	(Note 2)	147,218 (USD 5,319)	4.25	-	—	14,006 (USD 506)	-
Vietnam Paihong Limited Company	Hon Shin Corp.	(Note 2)	118,524 (USD 4,282)	4.24	-	—	118,524 (USD 4,282)	-

Note 1: Included trade receivables, other receivables and receivables from related party.

Note 2: Refer to Note 12 of the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

Table 8

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Intercompany Relationships and Significant Transactions

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Number	Investee Company	Counterparty (Note 2)	Relationship (Note 1)	Transaction Details				
				Financial Statement Account	Amount		Payment Terms	Percentage of Consolidated Total Revenue or Total Assets (%)
0	The Corporation	Vietnam Paiho Limited	(1)	Sales	$	405,688	About 3 months	3
		Wuxi Paiho Textile Co. Limited	(1)	Sales		252,210	About 3 months	2
		Dongguan Paihong Industry Co., Ltd.	(1)	Sales		190,935	About 3 months	1
		Zhong Yuan Xing Ye Company Ltd.	(1)	Sales		97,353	About 3 months	1
1	Paiho Int'l Limited	Vietnam Paiho Limited	(1)	Receivables - related parties	USD	12,583	−	1
2	Wuxi Paiho Textile Co. Limited	Wuxi Paiwei Biotechnology Co., Ltd.	(3)	Receivables - related parties	RMB	31,562	−	1
		Dongguan Paihong Industry Co., Ltd.	(1)	Other payables	RMB	100,325	−	2
		Wuxi Paihong Real Estate Co., Ltd.	(1)	Other payables	RMB	100,274	−	2
		Dongguan Paihong Industry Co., Ltd.	(1)	Sales	RMB	70,834	About 3 months	2
3	Zhong Yuan Xing Ye Company Ltd.	PT. Paiho Indonesia	(3)	Sales	USD	8,440	About 3 months	2
4	Paiho Shih Holdings Corporation	Vietnam Paihong Limited Company	(1)	Receivables - related parties	USD	28,027	−	3
		Hon Shin Corp.	(1)	Other income	USD	2,400	−	1
5	Hon Shin Corp.	Vietnam Paihong Limited Company	(1)	Receivables - related parties	USD	5,319	−	1
		Vietnam Paihong Limited Company	(1)	Cost of goods sold	USD	15,760	About 3 months	3

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

Table 9

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Information on Investees

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Investor Company	Investee Company (Note 3)	Location	Main Businesses and Products	Original Investment Amount		Year End Holding			Profit/Loss of the Investee in the Current Period	Profit/Loss Recognized in the Current Period (Note 3)	Remark
				December 31, 2021	December 31, 2020	Number of Shares	Ratio	Carrying Amount (Note 3)			
The Corporation	Paiho Int'l Limited	British Virgin Islands	International investment	$ 511,213	$ 1,107,261	14,368,564	100%	$ 6,575,805	$ 1,138,514	$ 1,214,360	Subsidiaries
	Paiho Group Inc.	British Virgin Islands	International investment	876,863	876,863	26,505,685	100%	944,897	96,501	97,140	Subsidiaries
	PT. Paiho Indonesia	Sukabumi, Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	536,266	536,266	178,200	99%	816,239	298,776	295,788	Subsidiaries
	Paiho North America Corporation	California, USA	Sales of touch fasteners and various type of webbings	266,330	266,330	800,000	100%	191,490	13,131	13,131	Subsidiaries
	Spring Rich Limited	Changhua County, Taiwan	Extra processing of webbings	3,000	3,000	-	100%	5,540	260	260	Subsidiaries
	Vietnam Paiho Limited	Ho Chi Minh City, Vietnam	Manufacture and extra processing on touch fasteners and various type of webbings	358,776	358,776	-	33%	1,276,694	683,747	225,737	Indirect subsidiary of subsidiary
Paiho Int'l Limited	Paiho Shih Holdings Corporation	British Cayman Islands	International investment	USD 22,869	USD 22,869	162,632,396	52%	3,102,462	1,276,133	(Note 1)	Indirect subsidiary
	He Mei Xing Ye Company Ltd.	British Samoa	International investment	USD 16,263	USD 16,263	23,636,140	100%	2,610,596	458,313	(Note 1)	Indirect subsidiary
	Zhong Yuan Xing Ye Company Ltd.	British Samoa	International trading	USD 3,760	USD 3,760	3,760,000	100%	(1,856)	(1,179)	(Note 1)	Indirect subsidiary
	PT. Paiho Indonesia	Sukabumi, Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	USD 180	USD 180	1,800	1%	8,245	298,776	(Note 1)	Subsidiaries
He Mei Xing Ye Company Ltd.	Vietnam Paiho Limited	Ho Chi Minh City, Vietnam	Manufacture and extra processing on touch fasteners and various type of webbings	773,954	773,954	-	67%	2,610,595	683,747	(Note 1)	Indirect subsidiary of subsidiary
Paiho Shih Holdings Corporation	Hong Kong Antex Limited.	Hong Kong	International investment	USD 54,335	USD 54,335	54,334,644	100%	6,145,911	1,538,112	(Note 1)	Indirect subsidiary of subsidiary
	Pai Lon International Trading Limited	British Virgin Islands	International trading	USD 1,791	USD 1,791	1,500,000	100%	19,583	104,098	(Note 1)	Indirect subsidiary of subsidiary
	Hon Shin Corp.	British Samoa	Internal investment and trading	USD 130,000	USD 95,000	130,000,000	100%	1,713,421	(321,953)	(Note 1)	Indirect subsidiary of subsidiary
	Taiwan Pai Lon Biotechnology Co., Ltd.	Taiwan	Production and sales of masks and non-woven fabrics	-	60,000	-	-	-	(56)	(Note 1)	Indirect subsidiary of subsidiary
Paiho Group Inc.	Paiho Holdings Limited	British Virgin Islands	International investment	876,863	876,863	26,505,685	100%	945,532	96,506	(Note 1)	Indirect subsidiary
Paiho Holdings Limited	Braits Company Limited	British Virgin Islands	International investment	562,498	562,498	16,601,385	100%	637,118	62,716	(Note 1)	Indirect subsidiary of subsidiary
Hon Shin Corp.	Vietnam Paihong Limited Company	Binh Duong Province, Vietnam	Production and sale of mesh and other fabrics.	USD 130,000	USD 95,000	-	100%	1,976,235	(304,414)	(Note 1)	Indirect subsidiary under several layers of holding

Note 1: Information filling is exempted according to regulations.

Note 2: For information on investment in mainland China, please refer to Table 10.

Note 3: Significant intercompany accounts and transactions have been eliminated.

Table 10

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Information on Investment in Mainland China

January 1 to December 31, 2021

(In Thousands of New Taiwan Dollars or Foreign Currency)

Name of the Investee Company in Mainland China (Note 1)	Main Businesses and Products	Paid-in Capital	Investment Method	Cumulative Investment Amount Remitted out from Taiwan at the Beginning of the Year	Outward and Inward Remittance of Funds: Outward	Outward and Inward Remittance of Funds: Inward	Cumulative Investment Amount Remitted out from Taiwan at the End of the Year	Net Income (loss) of the Investee from the Current Year	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) Recognized (Notes 6 and 7)	Carrying Amount at the End of the Period (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of the End of the Current Period
Dongguan Paiho Business Service Co., Ltd.	Non-residential property leasing	$ 149,741 (RMB 34,471)	(Note 1)	$ -	$ -	$ -	$ -	($ 3,036)	100%	($ 3,036)	$ 150,741	$ 1,214,739
Wuxi Paiho Textile Co., Limited	Processing of touch fasteners, webbing and embroidery	1,670,669 (RMB 384,592)	(Note 1)	985,180	-	473,560	511,620	1,573,485	52%	854,020	3,118,681	481,171
China Star International Limited	Production & marketing of powder coating	178,945 (RMB 41,194)	(Note 1)	201,922	-	-	201,922	32,076	100%	32,076	248,535	349,165
Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	178,747 (RMB 41,148)	(Note 1)	35,720	-	-	35,720	8,286	100%	8,286	219,398	43,166
Wuxi Paisen Commerce Co., Ltd.	Non-residential property leasing	574,219 (RMB 132,187)	(Note 1)	564,691	-	-	564,691	62,716	100%	62,716	637,118	-
Dongguan Paihong Industry Co., Ltd	Production and sale of touch fasteners, elastic, webbings, and jacquard engineered mesh, and consumer electronic accessories, etc.	1,551,220 (RMB 357,095)	(Note 1)	141,664	-	-	141,664	853,709	52%	449,308	1,769,999	195,108
Wuxi Paihong Real Estate Co., Ltd.	Commercial housing management, planning, consulting, and property sales, development, leasing, design and decoration	1,650,720 (RMB 380,000)	(Note 1)	(Note 2)	-	-	-	644,752	52%	331,114	1,315,480	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven fabrics	564,720 (RMB 130,000)	(Note 1)	(Note 3)	-	-	-	(56,878)	52%	(30,556)	265,759	-
Shanghai Best Expectation Textile Trading Limited	Internal investment and trading	2,172 (RMB 500)	(Note 1)	(Note 2)	-	-	-	-	52%	-	1,121	-

Cumulative Investment Amount Remitted out from Taiwan to the Mainland China at the End of the Year	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs	In Accordance with the Investment Quota in Mainland China Area Set by the Investment Commission of the Ministry of Economic Affairs
($ 335,002)(Note 7)	$ 626,537 (USD 22,635)	No upper limit (Note 4)

Note 1: Please refer to Note 12 of the notes to consolidated financial statements.

Note 2: The investment project is funded by Wuxi Paiho textile Co., Limited.

Note 3: Wuxi Paiho textile Co., Limited has been transferred to Hong Kong Antex Investment starting from October 2021. It was originally reinvested by Hong Kong Antex Limited, which was invested by Paiho Shih Holdings Corporation.

Note 4: Under the "Principles for the Review of Investment or Technological Joint Venture in Mainland China" of the Investment Commission dated August 29, 2008, the Company was issued the certification document for proof of within the scope of operation of the corporate headquarters by Industrial Development Bureau, MOEA, for investment in Mainland China with no upper limit of the fund.

Note 5: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: With the reference to the audited financial statements of the parent company.

Note 7: Including the remitted investment income as of the year end that was through the cumulative investment remitted out from Taiwan to Mainland China.

Note 8: Significant intercompany accounts and transactions have been eliminated.

Table 11

TAIWAN PAIHO LIMITED

Information on Major Shareholders

December 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares Held (Shares)	Percentage of Ownership
Fubon Life Insurance Co., Ltd.	23,363,000	7.84%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Table 12
TAIWAN PAIHO LIMITED
Investment Structure
December 31, 2021

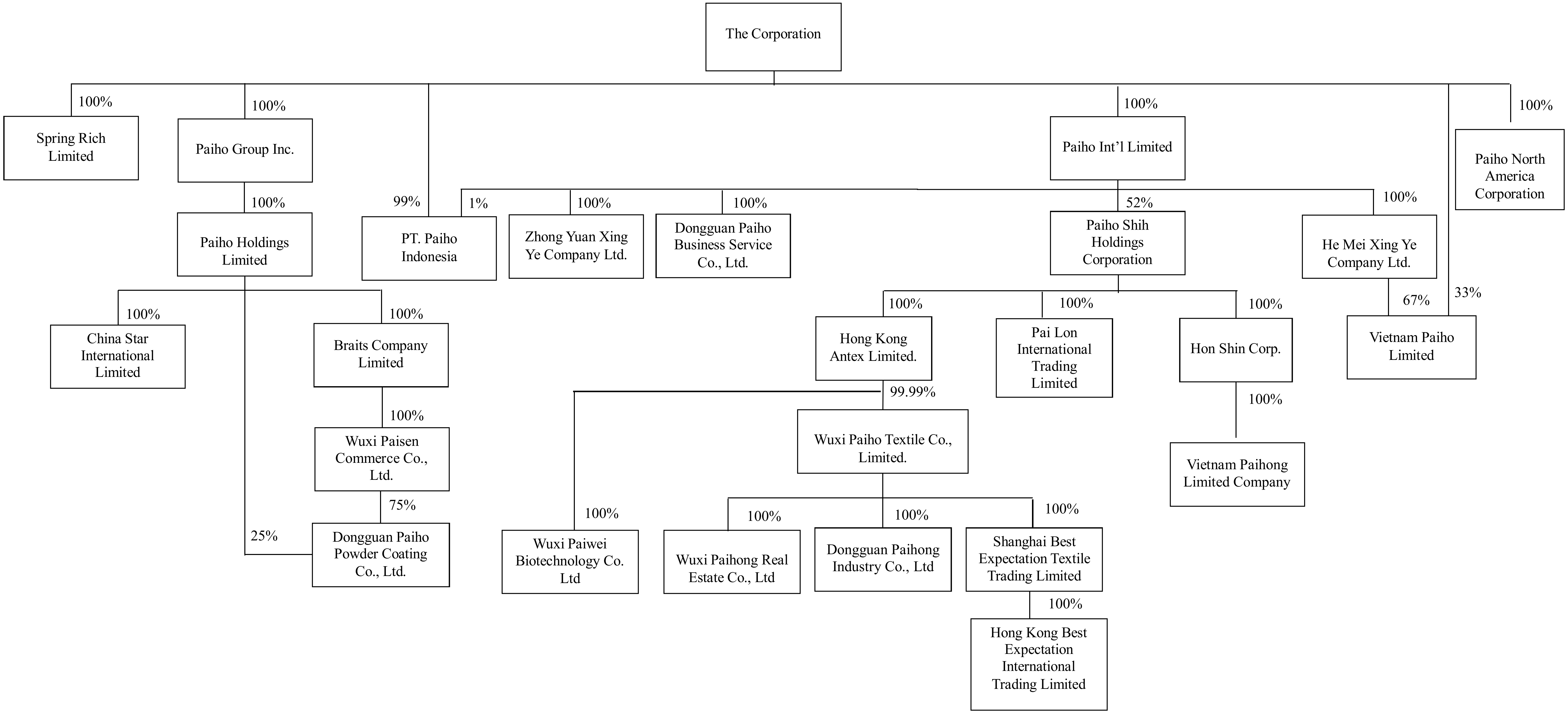

Table 13

TAIWAN PAIHO LIMITED

Investment Structure

December 31, 2020