

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and CPA
Review Report

First Quarter, 2023 and 2022

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CPA Review Report

To: TAIWAN PAIHO LIMITED

Foreword

We have reviewed the consolidated balance sheets on March 31, 2023 and March 31, 2022 consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to March 31, 2023 and January 1 to March 31, 2022, and the notes to the consolidated financial statements (including the summary of significant accounting policies) of Taiwan Paiho Limited and Subsidiaries (hereinafter referred to as “Group”). It is the responsibility of the management to fairly present the consolidated financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 – “Interim Report” recognized and announced by Financial Supervisory Commission. Our responsibility is to make a conclusion on the consolidated financial reports based on the review results.

Scope

We conducted our review in accordance with the Statement of Auditing Standards No. 2410 - “Review of Interim Financial.” The review procedure of the consolidated financial statement includes inquiry (mainly with the personnel charged with finance and accounting duties), analytic procedure, and other review procedures. As the scope of review is much smaller than an audit, we may not be able to detect all material items which could be detected in an audit. We therefore cannot present an audit opinion.

Basis of Qualified Conclusion

As stated in Note 12 to the Consolidated Financial Statements, the financial statements of some of the crucial subsidiaries included in the aforementioned consolidated financial statements covering the same period have not been audited. The total assets as of March 31, 2023 and March 31, 2022 amounted to NT\$3,400,405 thousand and NT\$3,135,452 thousand (the same currency denomination will be used all through this report), which accounted for 11% and 10% of the consolidated total assets, respectively. The total liabilities amounted to NT\$1,082,296 thousand and NT\$1,568,457 thousand, or amounted to 6% and 9% of the total liabilities respectively. The total comprehensive income in the period of January 1 to March 31, 2023 and January 1 to March

31, 2022 amounted to NT\$(36,946) thousand and NT\$105,717 thousand, or accounted for (35%) and 11% of the total comprehensive income, respectively.

Qualified Conclusion

Our review result indicated that nothing nonconforming to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Report” recognized and announced by the Financial Supervisory Commission was found in the compilation of the aforementioned consolidated financial statements, in all material aspects, by Group except in circumstances that the consolidated financial statements shall be subject to adjustment if the financial statements of the non-crucial subsidiaries have been audited as stated in the section of the basis of qualified opinion, which may affect the fair presentation of the consolidated financial position of Group as of March 31, 2023 and March 31, 2022, and the consolidated financial performance and consolidated cash flows of the Group in the period of January 1 to March 31, 2023 and January 1 to March 31, 2022.

Deloitte & Touche
Taiwan
Ting-Chien, Su CPA
Shao-Chun Wu, CPA
May 11, 2023

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

March 31, 2023 and December 31 and March 31, 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 3,954,854	12	\$ 3,728,083	12	\$ 3,441,101	11
1110	Financial assets at fair value through profit and loss – current (Note 7)	141,799	-	141,102	-	-	-
1136	Financial assets measured at amortized cost – current (Notes 9 and 29)	241,254	1	230,769	1	258,834	1
1150	Notes receivable (Note 10)	57,008	-	56,857	-	109,064	-
1170	Trade receivables (Note 10)	2,156,077	7	2,066,491	6	3,155,842	11
1200	Other receivables	193,603	1	171,027	1	292,502	1
1310	Inventory – manufacturing (Note 11)	2,917,769	9	3,051,293	10	3,174,875	11
1320	Inventory – constructing (Note 11)	2,266,626	7	2,273,955	7	3,110,142	10
1470	Other current assets (Note 17)	1,089,719	3	940,094	3	905,790	3
11XX	Total current assets	<u>13,018,709</u>	<u>40</u>	<u>12,659,671</u>	<u>40</u>	<u>14,448,150</u>	<u>48</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income – non-current (Note 8)	-	-	-	-	4,178	-
1535	Financial assets measured at amortized cost – non-current (Notes 9 and 29)	64,395	-	117,634	-	293,035	1
1600	Property, plant and equipment (Notes, 13 and 29)	16,860,062	52	16,531,780	52	12,944,812	43
1755	Right-of-use assets (Notes 14 and 28)	1,501,741	5	1,522,719	5	1,459,377	5
1760	Investment property (Notes 14 and 15)	138,125	-	138,977	-	146,817	-
1805	Goodwill (Note 16)	171,350	1	181,031	1	196,830	1
1821	Other intangible assets	28,632	-	26,819	-	4,321	-
1840	Deferred tax assets (Note 25)	182,517	1	179,381	1	304,952	1
1915	Prepayment for machinery and equipment	228,456	1	391,423	1	473,008	1
1995	Other non-current assets (Note 17)	84,615	-	84,111	-	81,099	-
15XX	Total non-current assets	<u>19,259,893</u>	<u>60</u>	<u>19,173,875</u>	<u>60</u>	<u>15,908,429</u>	<u>52</u>
1XXX	Total assets	<u>\$ 32,278,602</u>	<u>100</u>	<u>\$ 31,833,546</u>	<u>100</u>	<u>\$ 30,356,579</u>	<u>100</u>
Code	Liabilities and equity						
	Current liabilities						
2102	Short-term borrowings (Note 18)	\$ 7,681,159	24	\$ 6,659,884	21	\$ 3,674,233	12
2110	Short-term notes payable (Notes 18 and 29)	-	-	-	-	900,000	3
2130	Contractual liabilities – current (Notes 23 and 28)	23,704	-	32,558	-	1,190,557	4
2150	Notes payable	53,583	-	76,838	-	76,783	-
2170	Trade payables	487,484	2	570,458	2	918,653	3
2200	Other payables (Note 19)	1,251,940	4	1,620,065	5	2,490,511	8
2230	Current tax liabilities (Notes 25)	805,368	2	1,033,977	3	1,166,220	4
2280	Lease liabilities – current (Notes 14 and 28)	18,321	-	17,917	-	33,695	-
2320	Current portion of long-term borrowings (Notes 18 and 29)	162,193	1	4,629,791	15	499,081	2
2399	Other current liabilities	51,758	-	43,798	-	79,316	-
21XX	Total current liabilities	<u>10,535,510</u>	<u>33</u>	<u>14,685,286</u>	<u>46</u>	<u>11,029,049</u>	<u>36</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 18 and 29)	5,206,099	16	727,909	2	4,304,835	14
2570	Deferred tax liabilities (Notes 25)	1,569,402	5	1,553,592	5	1,480,297	5
2580	Lease liabilities – non-current (Notes 14 and 28)	34,017	-	38,014	-	52,036	-
2630	Deferred revenue – non-current	125,477	-	126,665	-	86,959	1
2640	Net defined benefit liabilities – non-current (Notes 20)	200,261	1	199,566	1	253,205	1
2645	Guarantee deposits received	13,374	-	14,314	-	14,536	-
25XX	Total non-current liabilities	<u>7,148,630</u>	<u>22</u>	<u>2,660,060</u>	<u>8</u>	<u>6,191,868</u>	<u>21</u>
2XXX	Total liabilities	<u>17,684,140</u>	<u>55</u>	<u>17,345,346</u>	<u>54</u>	<u>17,220,917</u>	<u>57</u>
	Equity attributable to owners of the Corporation						
3110	Common stock	2,979,639	9	2,979,639	9	2,979,639	10
3200	Capital surplus	728,166	2	728,084	2	728,084	2
	Retained earnings						
3310	Legal reserve	1,841,652	6	1,841,652	6	1,640,637	5
3320	Special reserve	737,099	2	737,099	2	572,198	2
3350	Unappropriated earnings	5,803,624	18	5,668,283	18	4,998,191	17
3400	Other equity	(142,089)	-	(170,388)	-	(451,165)	(2)
31XX	Total equity attributable to owners of the Corporation	<u>11,948,091</u>	<u>37</u>	<u>11,784,369</u>	<u>37</u>	<u>10,467,584</u>	<u>34</u>
36XX	Non-controlling interests	<u>2,646,371</u>	<u>8</u>	<u>2,703,831</u>	<u>9</u>	<u>2,668,078</u>	<u>9</u>
3XXX	Total equity	<u>14,594,462</u>	<u>45</u>	<u>14,488,200</u>	<u>46</u>	<u>13,135,662</u>	<u>43</u>
	Total liabilities and equity	<u>\$ 32,278,602</u>	<u>100</u>	<u>\$ 31,833,546</u>	<u>100</u>	<u>\$ 30,356,579</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements
(Refer to the review report of Deloitte & Touche Taiwan on May 11, 2023)

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 March 31, 2023 and 2022
(Reviewed only, not Audited in Accordance with GAAS)
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		January 1 to March 31, 2023		January 1 to March 31, 2022	
		Amount	%	Amount	%
4000	Net sales (Notes 23)	\$ 3,003,735	100	\$ 4,264,897	100
5000	Cost of goods sold (Notes 11, 23, 24 and 28)	<u>2,063,035</u>	<u>69</u>	<u>2,716,196</u>	<u>64</u>
5950	Gross profit	<u>940,700</u>	<u>31</u>	<u>1,548,701</u>	<u>36</u>
	Operating expenses (Notes 24 and 28)				
6100	Sales and marketing expenses	296,207	10	382,528	9
6200	General and administrative expenses	242,933	8	211,596	5
6300	Research and development expenses	128,746	4	136,627	3
6450	Expected credit impairment loss (profit) (Note 10)	(<u>1,640</u>)	<u>-</u>	<u>36,260</u>	<u>1</u>
6000	Total operating expenses	<u>666,246</u>	<u>22</u>	<u>767,011</u>	<u>18</u>
6900	Profit from operations	<u>274,454</u>	<u>9</u>	<u>781,690</u>	<u>18</u>
	Non-operating income and expenses				
7010	Subsidy revenue	6,627	-	2,206	-
7100	Interest income	8,207	-	7,722	-
7190	Other income	17,432	1	12,859	-
7510	Financial costs (Notes 24 and 28)	(135,493)	(4)	(34,855)	(1)
7590	Other expenses (Note 24)	(58,380)	(2)	(16,090)	-
7630	Net foreign exchange profit (loss) (Note 24)	(<u>20,447</u>)	(<u>1</u>)	<u>19,794</u>	<u>1</u>
7000	Total non-operating income and expenses	(<u>182,054</u>)	(<u>6</u>)	(<u>8,364</u>)	<u>-</u>
7900	Profit before income tax	92,400	3	773,326	18
7950	Income tax expense (Note 25)	<u>28,743</u>	<u>1</u>	<u>239,413</u>	<u>5</u>
8200	Net profit for the period	<u>63,657</u>	<u>2</u>	<u>533,913</u>	<u>13</u>

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Code		January 1 to March 31, 2023		January 1 to March 31, 2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ -	-	\$ 4,178	-
		-	-	4,178	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	49,598	2	461,783	11
8399	and income tax related to items likely to be reclassified to profit or loss (Notes 25)	(7,075)	-	(70,440)	(2)
		42,523	2	391,343	9
8300	Other comprehensive income for the period (net profit)	42,523	2	395,521	9
8500	Total comprehensive income for the period	\$ 106,180	4	\$ 929,434	22
	Net profit attributable to:				
8610	Owners of the Corporation	\$ 135,341	4	\$ 463,926	11
8620	Non-controlling interests	(71,684)	(2)	69,987	2
8600		\$ 63,657	2	\$ 533,913	13
	Total comprehensive income attributable to:				
8710	Owners of the Corporation	\$ 163,640	6	\$ 749,860	18
8720	Non-controlling interests	(57,460)	(2)	179,574	4
8700		\$ 106,180	4	\$ 929,434	22
	Earnings per share (Note 26)				
9750	Basic	\$ 0.45		\$ 1.56	
9850	Diluted	\$ 0.45		\$ 1.55	

The accompanying notes are an integral part of the consolidated financial statements.
(Refer to the review report of Deloitte & Touche Taiwan on May 11, 2023)

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 March 31, 2023 and 2022
(Reviewed only, not Audited in Accordance with GAAS)
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Corporation											
		Capital Reserve (Note 22)				Other Equity (Note 22)							
		Difference Between Consideration Received or Paid and the Carrying Amount of the Subsidiaries' Net Assets During Disposal or Acquisition				Retained Earnings (Note 22)			Exchange Differences on Translating Foreign Operations	Unrealized Profit or Loss of Financial Assets at Fair Value through Other Comprehensive Income	Total	Non- Controlling Interests	Total Equity
Code		Common Stock (Note 22)	Premium from Stock	Donation Assets	Legal Reserve	Special Reserve	Unappropriated Earnings						
A1	Balance at January 1, 2022	\$ 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
C3	Donation from shareholders	-	-	-	107	-	-	-	-	-	107	-	107
B5	Appropriation of 2021 earnings Cash dividend	-	-	-	-	-	-	(1,042,874)	-	-	(1,042,874)	-	(1,042,874)
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(381,364)	(381,364)
D1	Net profit from January 1 to March 31, 2022	-	-	-	-	-	-	463,926	-	-	463,926	69,987	533,913
D3	Net comprehensive income from January 1 to March 31, 2022	-	-	-	-	-	-	-	281,756	4,178	285,934	109,587	395,521
D5	Total comprehensive income from January 1 to March 31, 2022	-	-	-	-	-	-	463,926	281,756	4,178	749,860	179,574	929,434
Z1	Balance at March 31, 2022	\$ 2,979,639	\$ 615,831	\$ 111,914	\$ 339	\$ 1,640,637	\$ 572,198	\$ 4,998,191	(\$ 425,668)	(\$ 25,497)	\$ 10,467,584	\$ 2,668,078	\$ 13,135,662
A1	Balance at January 1, 2023	\$ 2,979,639	\$ 615,831	\$ 111,914	\$ 339	\$ 1,841,652	\$ 737,099	\$ 5,668,283	(\$ 170,388)	\$ -	\$ 11,784,369	\$ 2,703,831	\$ 14,488,200
C3	Donation from shareholders	-	-	-	82	-	-	-	-	-	82	-	82
D1	Net profit from January 1 to March 31, 2023	-	-	-	-	-	-	135,341	-	-	135,341	(71,684)	63,657
D3	Net comprehensive income from January 1 to March 31, 2023	-	-	-	-	-	-	-	28,299	-	28,299	14,224	42,523
D5	Total comprehensive income from January 1 to March 31, 2023	-	-	-	-	-	-	135,341	28,299	-	163,640	(57,460)	106,180
Z1	Balance at March 31, 2023	\$ 2,979,639	\$ 615,831	\$ 111,914	\$ 421	\$ 1,841,652	\$ 737,099	\$ 5,803,624	(\$ 142,089)	\$ -	\$ 11,948,091	\$ 2,646,371	\$ 14,594,462

The accompanying notes are an integral part of the consolidated financial statements
(Refer to the review report of Deloitte & Touche Taiwan on May 11, 2023)

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 March 31, 2023 and 2022

(Reviewed only, not Audited in Accordance with GAAS)

(In Thousands of New Taiwan Dollars)

Code		January 1 to March 31, 2023	January 1 to March 31, 2022
	Cash flows from operating activities		
A10000	Income before income tax	\$ 92,400	\$ 773,326
A20010	Incomes and expense items:		
A20100	Depreciation expense	383,266	330,468
A20200	Amortization expense	823	260
A20300	Expected credit loss recognized (reversed) on trade receivables	(1,640)	36,260
A20900	Finance costs	135,493	34,855
A21200	Interest income	(8,207)	(7,722)
A22500	Loss on disposal of property, plant and equipment	45	317
A23700	Impairment loss recognized on non-financial assets	31,213	42,930
A24100	Unrealized foreign currency exchange loss (profit), net	3,738	(3,618)
A29900	Others	(1,899)	2,550
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(153)	32,616
A31150	Trade receivables	(106,414)	(264,614)
A31180	Other receivables	(24,736)	(19,354)
A31200	Inventories – manufacturing	80,067	(92,374)
A31200	Inventories – constructing	20,095	(265,355)
A31240	Other current assets	(88,897)	(118,994)
A32125	Contractual liabilities	(8,854)	192,227
A32130	Notes payable	(23,255)	(28,082)
A32150	Trade payables	(78,308)	6,327
A32180	Other payables	(549,549)	(605,046)
A32230	Other current liabilities	8,260	(59,227)
A32240	Net defined benefit liabilities	<u>2,087</u>	<u>(15,896)</u>
A33000	Cash used in operations	(134,425)	(28,146)
A33100	Interest received	8,207	7,722
A33300	Interest paid	(124,912)	(30,022)
A33500	Income tax paid	<u>(287,684)</u>	<u>(52,524)</u>
AAAA	Net cash used in operating activities	<u>(538,814)</u>	<u>(102,970)</u>

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Code		January 1 to March 31, 2023	January 1 to March 31, 2022
	Cash flow from investment activities		
B00040	Purchase of financial assets at amortized cost	(\$ 24,949)	(\$ 841,976)
B00050	Proceeds from disposal of financial assets at amortized cost	66,833	804,953
B02700	Payments for property, plant and equipment	(331,866)	(328,429)
B02800	Proceeds from disposal of property, plant and equipment	34,822	1,212
B03700	Decrease (increase) in refundable deposits	149	(2,653)
B04500	Procurement of intangible assets	(2,652)	-
B06700	Increase in other non-current assets	(503)	(7,607)
B07100	Increase in prepayment for machinery and equipment	(<u>112,528</u>)	(<u>137,314</u>)
BBBB	Net cash used in investing activities	(<u>370,694</u>)	(<u>511,814</u>)
	Cash flow from financing activities		
C00100	Proceeds from short-term borrowings	1,073,566	704,034
C00500	Proceeds from short-term notes payable	-	900,000
C01600	Proceeds from long-term borrowings	2,433,418	219,596
C01700	Repayments of long-term borrowings	(2,381,176)	(1,386,024)
C03000	Proceeds from (repayments of) guarantee deposits received	(818)	9
C04020	Repayment of the principal portion of lease liabilities	(4,431)	(7,908)
C09900	Overdue dividend	<u>82</u>	<u>107</u>
CCCC	Net cash generated from financing activities	<u>1,120,641</u>	<u>429,814</u>
DDDD	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>15,638</u>	<u>94,781</u>
EEEE	Net increase (decrease) in cash and cash equivalents	226,771	(90,189)
E00100	Cash and cash equivalents at the beginning of the period	<u>3,728,083</u>	<u>3,531,290</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 3,954,854</u>	<u>\$ 3,441,101</u>

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

(Refer to the review report of Deloitte & Touche Taiwan on May 11, 2023)

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 March 31, 2023 and 2022

(Reviewed only, not Audited in Accordance with GAAS)

(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, shoelaces, elastic, easy tape and relevant superficial 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 (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 May 11, 2023.

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 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
Amendments to IFRS 16 “Lease Liabilities in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current liabilities with Covenants”	January 1, 2024

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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

(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) 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). Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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 8 and 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(IV) Other significant accounting policies

Refer to note to significant accounting policies contained in the 2022 Consolidated Financial Statements further to the explanation specified below.

1. Retirement benefits

The pension cost in the interim period is based on the pension cost rate under actuarial decision on the last day of the previous period from the beginning to the ending of the period in calculation. Adjustment has been made at one time with significant market fluctuation, major revision of the plan, settlement or other materiality considered.

2. Income tax

The income tax expense is the sum of the income tax and deferred income tax of the period. The income tax in the interim period is assessed on the basis of the whole fiscal year at the expected tax rate applicable to the total earnings of the year and at the earnings before taxation in the interim period in calculation.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The Group takes the recent developments of the COVID-19 pandemic, the military conflict between Russian and Ukraine along with the associated international sanctions, and their possible impacts on the economic environment into the consideration of major accounting estimates for items such as cash flow, growth rate, discount rate and profitability. The management will continue to review the estimates and basic assumptions. Please refer to the section of the primary source of uncertainties for significant accounting judgement, estimate, and assumptions contained in the 2022 consolidated financial statements.

VI. Cash and Cash Equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Petty cash and cash on hand	\$ 46,866	\$ 40,958	\$ 47,050
Checking accounts and demand deposits	2,871,898	2,160,525	1,904,600
Cash equivalents (deposit accounts with original maturities of less than 3 months)	1,036,090	1,526,600	1,489,451
	<u>\$ 3,954,854</u>	<u>\$ 3,728,083</u>	<u>\$ 3,441,101</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Financial assets mandatorily classified as at FVTPL			
Non derivative financial assets			
- Structured deposits	<u>\$ 141,799</u>	<u>\$ 141,102</u>	<u>\$ -</u>

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

Equity instrument investment

<u>Name of Investee</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Foreign unlisted ordinary shares</u>			
Hong Kong Leader Elastic Limited	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,178</u>

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. Due to an investment adjustment in March 2022, an unrealized loss of NT\$25,497 thousand from a disposal of common shareholding of Hong Kong Leader Elastic Limited at fair value (under other equity interest – Financial assets at FVTOCI) was transferred to retained earnings.

IX. Financial Assets at Amortized Cost

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Current</u>			
Restricted deposits	\$ 224,390	\$ 230,769	\$ 258,834
Time deposit with original maturity of more than 3 months	<u>16,864</u>	<u>-</u>	<u>-</u>
	<u>\$ 241,254</u>	<u>\$ 230,769</u>	<u>\$ 258,834</u>

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 64,395</u>	<u>\$ 117,634</u>	<u>\$ 293,035</u>

Restriction deposits were approved for repatriation under “Regulations Governing the Financial Investment of Repatriated Offshore Funds.” The repatriations have been used for making investment propositions to Ministry of Economic Affairs and are restricted for other usage.

For information on pledged financial assets at amortized cost, refer to Note 29.

X. Notes Receivable and Trade Receivables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Notes receivable</u>			
At amortized cost	<u>\$ 57,008</u>	<u>\$ 56,857</u>	<u>\$ 109,064</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 2,193,049	\$ 2,105,390	\$ 3,343,417
Less: Allowance for impairment loss	(<u>36,972</u>)	(<u>38,899</u>)	(<u>187,575</u>)
	<u>\$ 2,156,077</u>	<u>\$ 2,066,491</u>	<u>\$ 3,155,842</u>

The average credit period of sales of goods was 30 to 90 days. 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 accounts receivable at an amount equal to lifetime ECLs. Lifetime ECLs are calculated using provision matrix, factoring into past default history and current financial standing of the customers, as well as industry condition and prospects. Based on the credit loss history, in terms of loss patterns, there have not been significant differences across the customer groups for the Group; therefore, a unified expected credit loss rate using the number of days overdue was determined, without assigning a provision matrix for individual customer 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
<u>March 31, 2023</u>						
Expected credit loss rate	0.04-3%	0.04-20%	0.04-40%	0.04-100%	0.04-100%	
Gross carrying amount	\$2,008,824	\$ 98,549	\$ 38,672	\$ 14,002	\$ 33,002	\$2,193,049
Loss allowance (Lifetime ECLs)	(11,640)	(4,033)	(1,909)	(5,357)	(14,033)	(36,972)
Amortized cost	<u>\$1,997,184</u>	<u>\$ 94,516</u>	<u>\$ 36,763</u>	<u>\$ 8,645</u>	<u>\$ 18,969</u>	<u>\$2,156,077</u>
<u>December 31, 2022</u>						
Expected credit loss rate	0.04-0.21%	0.04-3.10%	0.04-23.97%	0.04-100%	0.04-100%	
Gross carrying amount	\$1,870,668	\$ 128,112	\$ 50,261	\$ 12,952	\$ 43,397	\$2,105,390
Loss allowance (Lifetime ECLs)	(10,564)	(6,760)	(3,168)	(4,738)	(13,669)	(38,899)
Amortized cost	<u>\$1,860,104</u>	<u>\$ 121,352</u>	<u>\$ 47,093</u>	<u>\$ 8,214</u>	<u>\$ 29,728</u>	<u>\$2,066,491</u>
<u>March 31, 2022</u>						
Expected credit loss rate	1-4%	1-20%	1-40%	1-80%	1-100%	
Gross carrying amount	\$2,903,042	\$ 246,035	\$ 114,774	\$ 29,962	\$ 49,604	\$3,343,417
Loss allowance (Lifetime ECLs)	(43,288)	(39,327)	(39,786)	(22,271)	(42,903)	(187,575)
Amortized cost	<u>\$2,859,754</u>	<u>\$ 206,708</u>	<u>\$ 74,988</u>	<u>\$ 7,691</u>	<u>\$ 6,701</u>	<u>\$3,155,842</u>

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

	January 1 to March 31, 2023	January 1 to March 31, 2022
Balance at January 1	\$ 38,899	\$ 146,304
Add: Net remeasurement of loss allowance (recovered)	(1,640)	36,260
Less: Amounts written off	(114)	(212)
Foreign exchange gain or loss	(173)	5,223
Balance at March 31	<u>\$ 36,972</u>	<u>\$ 187,575</u>

XI. Inventories

(I) Manufacturing

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$ 1,154,607	\$ 1,272,078	\$ 1,208,849
Raw materials and supplies	965,066	1,105,261	1,106,526
Work in progress	768,233	618,556	764,113
Inventory in transit	29,863	55,398	95,387
	<u>\$ 2,917,769</u>	<u>\$ 3,051,293</u>	<u>\$ 3,174,875</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2023 and 2022 was NT\$2,047,894 thousand, and NT\$2,573,853 thousand, respectively. The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2023 and 2022 included inventory write-downs of \$31,213 thousand and \$40,726 thousand.

(II) Construction industry

	March 31, 2023	December 31, 2022	March 31, 2022
Construction under development	\$ 2,266,626	\$ 2,273,955	\$ 800,455
Construction to be sold	-	-	2,309,687
	<u>\$ 2,266,626</u>	<u>\$ 2,273,955</u>	<u>\$ 3,110,142</u>

Construction under development

Location	Project Name	Expected Date of Completion	March 31, 2023	December 31, 2022	March 31, 2022
Xishan District, Wuxi	Paiho Business Plaza	2022	\$ -	\$ -	<u>\$2,309,687</u>

Construction to be sold

Location	Project Name	March 31, 2023	December 31, 2022	March 31, 2022
Xishan District, Wuxi	Paiho International Mansion - Season One	\$ 260,725	\$ 274,500	\$ 327,713
	Paiho International Mansion - Season Two	274,967	273,437	472,742
	Paiho Business Plaza	<u>1,730,934</u>	<u>1,726,018</u>	-
		<u>\$2,266,626</u>	<u>\$2,273,955</u>	<u>\$ 800,455</u>

The cost of inventories recognized as cost of real estate sold for the three months ended March 31, 2023 and 2022 was NT\$15,141 thousand, and NT\$142,343 thousand, respectively.

XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

Investee	Subsidiary	Nature of Activities	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Corporation	Paiho Int'l Limited	International investment	100	100	100	5
	Paiho Group Inc.	International investment	100	100	100	-
	PT. Paiho Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	99	99	99	-
	Paiho North America Corporation	Sales of touch fasteners and various type of webbings	100	100	100	-
	Spring Rich Limited	Extra processing of webbings	100	100	100	-
	Vietnam Paiho Limited	Manufacture and extra processing on touch fasteners and various type of webbings.	33	33	33	5
Paiho Int'l Limited	Paiho Shih Holdings Corporation	International investment	52	52	52	5
	Dongguan Paiho Business Service Co., Ltd.	Non-residential property leasing	100	100	100	-
	He Mei Xing Ye Company Ltd.	International investment	100	100	100	5
	Zhong Yuan Xing Ye Company Ltd.	International trading	100	100	100	-
	PT. Paiho Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	1	1	1	-
Paiho Shih Holdings Corporation	Hong Kong Antex Limited	International investment	100	100	100	5
	Hon Shin Corp.	Internal investment and trading	100	100	100	5
Hong Kong Antex Limited.	Thomas Dynamic Material (jiangsu) Co., Ltd	Processing of touch fasteners, webbing and embroidery	99.99	99.99	99.99	3.5
	Wuxi Paiwei Biotechnology Co., Ltd.	Production and sales of masks and non-woven fabrics	100	100	100	5
Thomas Dynamic Material (jiangsu) Co., Ltd	Dongguan Paihong Industry Co., Ltd.	Production & marketing of touch fasteners, elastic, webbings, and jacquard engineered mesh, and consumer electronic accessories, etc.	100	100	100	5
Thomas Dynamic Material (jiangsu) Co., Ltd	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100	100	5
Dongguan Paihong Industry Co., Ltd.	Shanghai Best Expectation Textile Trading Limited	Internal investment and trading	51	51	100	5
	Shanghai Best Expectation Textile Trading Limited	Internal investment and trading	49	49	-	5
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Internal investment and trading	100	100	-	5

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Investee	Subsidiary	Nature of Activities	Percentage of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
Hon Shin Corp.	Vietnam Paihong Limited Company	Production & marketing of mesh and other fabrics.	-	-	100	4.5
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Limited Company	Production & marketing of mesh and other fabrics.	100	100	-	5
He Mei Xing Ye Company Ltd.	Vietnam Paiho Limited	Manufacture and extra processing on touch fasteners and various type of webbings	67	67	67	5
Paiho Group Inc.	Paiho Holdings Limited	International investment	100	100	100	-
Paiho Holdings Limited	Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	-	-	25	2
	China Star International Limited	Production & marketing of powder coating	-	100	100	1
Braits Company Limited	Braits Company Limited	International investment	100	100	100	-
	Wuxi Paisen Commerce Co., Ltd.	Non-residential property leasing	100	100	100	-
Wuxi Paisen Commerce Co., Ltd.	Dongguan Paiho Powder Coating Co., Ltd.	Production & marketing of powder coating	-	-	75	2

Note 1: Liquidation of China Star International Limited completed on January, 2023.

Note 2: The Company's Board of Directors has resolved, on May 6, 2022, to dispose shareholdings in Dongguan Paiho Powder Coating Co., Ltd to a non-related party. The ownership was transferred on July 31, 2022.

Note 3: Thomas Dynamic Material (jiangsu) Co., Ltd was renamed in 2022. It was Wuxi Paiho Textile Co., Ltd.

Note 4: Hon Shin Corp. sold its holdings of Vietnam Paihong Limited Company to Hong Kong Best Expectation International Trading Limited in December 2022.

Note 5: It is prepared in accordance with the financial statements reviewed by CPAs, and the rest are prepared in accordance with the financial statements not reviewed by CPAs.

The reinvestment structure as of March 31, 2023 and 2022 is shown in Tables 11 and 12.

Please refer to Tables 8 and 9 for the main business premises and the countries of company registration of the subsidiaries above.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31, 2023	December 31, 2022	March 31, 2022
Paiho Shih Holdings Corporation and subsidiaries	48%	48%	48%

Name of Subsidiary	Profit (loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	January 1 to March 31, 2023	January 1 to March 31, 2022	March 31, 2023	December 31, 2022	March 31, 2022
Paiho Shih Holdings Corporation and subsidiaries	(\$ 71,684)	\$ 69,987	\$ 2,646,371	\$ 2,703,831	\$ 2,668,078

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 7,532,087	\$ 6,911,790	\$ 8,162,587
Non-current assets	10,966,897	10,866,870	7,890,772
Current liabilities	(7,910,885)	(10,870,581)	(6,128,466)
Non-current liabilities	(5,119,352)	(1,337,691)	(4,412,995)
Equity	\$ 5,468,747	\$ 5,570,388	\$ 5,511,898

Equity attributed to:			
Owners of Paiho Shih Holdings Corporation	\$ 2,822,376	\$ 2,866,557	\$ 2,843,820
Non-controlling interests of Paiho Shih Holdings Corporation and subsidiaries	2,646,371	2,703,831	2,668,078
	\$ 5,468,747	\$ 5,570,388	\$ 5,511,898

	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue	\$ 1,209,215	\$ 1,887,341
Net profit for the period	(\$ 147,543)	\$ 144,581
Other comprehensive income (loss)	45,902	226,678
Total comprehensive income	(\$ 101,641)	\$ 371,259

Net income attributable to:		
Owners of Paiho Shih Holdings Corporation	(\$ 75,859)	\$ 74,594
Non-controlling interests of Paiho Shih Holdings Corporation's subsidiaries	(71,684)	69,987
	(\$ 147,543)	\$ 144,581

Total comprehensive income attributed to:		
Owners of Paiho Shih Holdings Corporation	(\$ 44,181)	\$ 191,685
Non-controlling interests of Paiho Shih Holdings Corporation's subsidiaries	(57,460)	179,574
	(\$ 101,641)	\$ 371,259

Cash flow		
Operating activities	(\$ 661,344)	(\$ 451,268)
Investing activities	(164,044)	(402,954)
Financing activities	1,409,724	422,171
Net cash inflow (outflow)	\$ 584,336	(\$ 432,051)

XIII. Property, Plant and Equipment

January 1 to March 31, 2023	Land	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 628,090	\$ 10,260,581	\$ 9,230,299	\$ 293,148	\$ 1,082,524	\$ 2,959,227	\$ 24,453,869
Additions	-	16,846	50,900	11,153	21,658	413,587	514,144
Disposals	-	(439)	(68,247)	-	(7,664)	(34,809)	(111,159)
Reclassified amount	-	65,043	202,384	312	2,423	2,670	272,832
Net exchange translation adjustments	(700)	(35,882)	(21,282)	(497)	1,350	(6,806)	(63,817)
Balance at March 31, 2023	<u>\$ 627,390</u>	<u>\$ 10,306,149</u>	<u>\$ 9,394,054</u>	<u>\$ 304,116</u>	<u>\$ 1,100,291</u>	<u>\$ 3,333,869</u>	<u>\$ 25,065,869</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 2,403,853	\$ 4,667,960	\$ 159,474	\$ 690,802	\$ -	\$ 7,922,089
Depreciation expense	-	89,264	232,329	17,787	26,051	-	365,431
Disposals	-	(439)	(68,206)	-	(7,647)	-	(76,292)
Net exchange translation adjustments	-	473	(6,676)	(200)	982	-	(5,421)
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 2,493,151</u>	<u>\$ 4,825,407</u>	<u>\$ 177,061</u>	<u>\$ 710,188</u>	<u>\$ -</u>	<u>\$ 8,205,807</u>
Net amount at March 31, 2023	<u>\$ 627,390</u>	<u>\$ 7,812,998</u>	<u>\$ 4,568,647</u>	<u>\$ 127,055</u>	<u>\$ 390,103</u>	<u>\$ 3,333,869</u>	<u>\$ 16,860,062</u>
<u>January 1 to March 31, 2022</u>							
<u>Cost</u>							
Balance at January 1, 2022	\$ 577,902	\$ 7,835,714	\$ 8,431,542	\$ 283,063	\$ 872,550	\$ 1,105,810	\$ 19,106,581
Additions	-	4,208	11,104	2,776	13,417	330,535	362,040
Disposals	-	(19,106)	(157,218)	(7,719)	(6,055)	-	(190,098)
Reclassified amount	-	426,872	125,891	2,222	83,822	(417,809)	220,998
Net exchange translation adjustments	2,544	242,941	248,064	8,047	31,955	15,165	548,716
Balance at March 31, 2022	<u>\$ 580,446</u>	<u>\$ 8,490,629</u>	<u>\$ 8,659,383</u>	<u>\$ 288,389</u>	<u>\$ 995,689</u>	<u>\$ 1,033,701</u>	<u>\$ 20,048,237</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ 1,962,636	\$ 4,078,628	\$ 154,968	\$ 581,370	\$ -	\$ 6,777,602
Impairment losses	-	2,204	-	-	-	-	2,204
Depreciation expense	-	85,212	193,279	7,155	25,559	-	311,205
Disposals	-	(19,106)	(156,626)	(7,067)	(5,770)	-	(188,569)
Net exchange translation adjustments	-	61,525	114,570	4,464	20,424	-	200,983
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 2,090,471</u>	<u>\$ 4,229,851</u>	<u>\$ 159,520</u>	<u>\$ 621,583</u>	<u>\$ -</u>	<u>\$ 7,103,425</u>
Net amount at March 31, 2022	<u>\$ 580,446</u>	<u>\$ 6,398,158</u>	<u>\$ 4,429,532</u>	<u>\$ 128,869</u>	<u>\$ 374,106</u>	<u>\$ 1,033,701</u>	<u>\$ 12,944,812</u>

The Corporation is located in Hemei Town, Changhua County, with an area of 55 square meters in the Hemei section of land (recorded as self-owned 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 9,774 square meters in the Tiaoxing section of land (recorded as self-owned land for NT\$84,424 thousand). These are agricultural lands temporarily registered in the names of others, with the Corporation as the rights 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	3 to 60 years
Electromechanical power equipment	3 to 20 years
Engineering system	5 to 25 years
Others	3 to 10 years
Machinery and equipment	3 to 16 years
Transportation equipment	4 to 15 years
Miscellaneous equipment	2 to 35 years

Property, plant and equipment pledged as collateral for long-term borrowings are set out in Note 29.

XIV. Lease Agreements

(I) Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Land	\$ 1,449,293	\$ 1,466,599	\$ 1,373,081
Buildings	51,891	55,358	84,879
Transportation equipment	557	762	1,417
	<u>\$ 1,501,741</u>	<u>\$ 1,522,719</u>	<u>\$ 1,459,377</u>
	January 1 to March 31, 2023	January 1 to March 31, 2022	
Addition of right-of-use assets	<u>\$ 1,062</u>	<u>\$ 1,456</u>	
Depreciation charge of right-of-use assets			
Land	\$ 11,769	\$ 8,806	
Buildings	4,313	8,719	
Transportation equipment	210	207	
	<u>\$ 16,292</u>	<u>\$ 17,732</u>	

Except for the addition and depreciation expenses listed above, there was no significant sublease or impairment of the right-of-use assets of the Group from January 1 to March 31, 2023 and 2022.

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Carrying amounts of lease liabilities			
Current	<u>\$ 18,321</u>	<u>\$ 17,917</u>	<u>\$ 33,695</u>
Non-current	<u>\$ 34,017</u>	<u>\$ 38,014</u>	<u>\$ 52,036</u>

The discount rate ranges for lease liabilities are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Buildings	0.98%-5.00%	0.98%-5.00%	0.98%-5.00%
Transportation equipment	3.85%	3.85%	3.85%

(III) Other lease information

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

	<u>January 1 to March 31, 2023</u>	<u>January 1 to March 31, 2022</u>
Expenses relating to short-term leases	<u>\$ 1,995</u>	<u>\$ 2,035</u>
Expenses relating to low-value asset leases	<u>\$ 4,844</u>	<u>\$ 4,208</u>
Total cash outflow from leasing activities	<u>(\$ 11,172)</u>	<u>(\$ 14,347)</u>

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 Properties

January 1 to March 31, 2023	Beginning Balance	Addition	Net Exchange Translation Adjustment	Ending Balance
<u>Cost</u>				
Completed investment properties	\$ 174,245	\$ -	\$ 861	\$ 175,106
Right-of-use assets	<u>16,284</u>	<u>-</u>	<u>80</u>	<u>16,364</u>
Total cost	<u>190,529</u>	<u>\$ -</u>	<u>\$ 941</u>	<u>191,470</u>
<u>Accumulated depreciation</u>				
Completed investment properties	49,947	\$ 1,442	\$ 243	51,632
Right-of-use assets	<u>1,605</u>	<u>101</u>	<u>7</u>	<u>1,713</u>
Total accumulated depreciation	<u>51,552</u>	<u>\$ 1,543</u>	<u>\$ 250</u>	<u>53,345</u>
Net amount of investment properties	<u>\$ 138,977</u>			<u>\$ 138,125</u>
January 1 to March 31, 2022				
<u>Cost</u>				
Completed investment properties	\$ 171,560	\$ -	\$ 6,626	\$ 178,186
Right-of-use assets	<u>16,033</u>	<u>-</u>	<u>619</u>	<u>16,652</u>
Total cost	<u>187,593</u>	<u>\$ -</u>	<u>\$ 7,245</u>	<u>194,838</u>
<u>Accumulated depreciation</u>				
Completed investment properties	43,543	\$ 1,431	\$ 1,714	46,688
Right-of-use assets	<u>1,185</u>	<u>100</u>	<u>48</u>	<u>1,333</u>
Total accumulated depreciation	<u>44,728</u>	<u>\$ 1,531</u>	<u>\$ 1,762</u>	<u>48,021</u>
Net amount of investment properties	<u>\$ 142,865</u>			<u>\$ 146,817</u>

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 Group will receive in the future for leasing investment properties under operating leases are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 19,608	\$ 18,940	\$ 17,406
Year 2	19,608	19,577	20,012
Year 3	19,608	19,577	20,012
Year 4	-	4,894	20,012
	<u>\$ 58,824</u>	<u>\$ 62,988</u>	<u>\$ 77,442</u>

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

	January 1 to March 31, 2023	January 1 to March 31, 2022
<u>Cost</u>		
Balance at January 1	\$ 181,031	\$ 191,041
Effect of foreign currency exchange differences	(9,681)	5,789
Balance at March 31	<u>\$ 171,350</u>	<u>\$ 196,830</u>

XVII. Other Assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Tax overpaid retained for offsetting future tax payable	\$ 883,092	\$ 822,106	\$ 690,528
Prepaid expenses	73,403	50,972	74,422
Prepayments	49,105	38,770	94,780
Others	84,119	28,246	46,060
	<u>\$ 1,089,719</u>	<u>\$ 940,094</u>	<u>\$ 905,790</u>
<u>Non-current</u>			
Refundable deposits	\$ 52,089	\$ 52,192	\$ 54,829
Others	32,526	31,919	26,270
	<u>\$ 84,615</u>	<u>\$ 84,111</u>	<u>\$ 81,099</u>

XVII. Borrowings

(I) Short-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Line of credit borrowings	<u>\$ 7,681,159</u>	<u>\$ 6,659,884</u>	<u>\$ 3,674,233</u>
Rate of interest per annum (%)			
Line of credit borrowings (%)	3.15-7.80	3.00-8.00	0.70-4.05

(II) Short term notes payable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Commercial paper payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,000</u>
Rate of interest per annum (%)	-	-	1.1

(III) Long-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Line of credit borrowings – due in October 2023 to July 2027	\$ 4,368,918	\$ 4,334,666	\$ 4,568,354
Line of secured borrowings – due in January 2024 to August 2026	<u>999,374</u>	<u>1,023,034</u>	<u>235,562</u>
	5,368,292	5,357,700	4,803,916
Less: Current portion	(<u>162,193</u>)	(<u>4,629,791</u>)	(<u>499,081</u>)
Long-term borrowings	<u>\$ 5,206,099</u>	<u>\$ 727,909</u>	<u>\$ 4,304,835</u>
Rate of interest per annum (%)			
Line of credit borrowings	3.40-6.22	1.68-6.23	0.70-3.75
Line of secured borrowings	2.07-6.22	1.79-6.20	2.20-3.06

Please refer to Note 29 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.

A drawn loan of NT\$898,388 thousand was reclassified as current liabilities by the Corporation on December 31, 2022 as the consolidated current ratio shown in the consolidated financial statement at 2022 did not meet the requirement under the covenant of the syndicated loan. The loan was reclassified as non-current liability after the requirement was waived in February 2023 through the consent from the mandate bank.

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. To accommodate the new investment structure of the Group and needed capital from each group company, the borrowing entities have changed to Paiho Shih Holdings Corporation and Hong Kong Best Expectation International Trading Limited with adjusted credit lines of US\$70 million and US\$150 million, respectively, after the completion of contract signing in October and November in 2022. 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] shall not be higher than 200%;

3. The interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall not be less than 3 times and;
4. The tangible net assets [total equity - intangible assets] shall not be less than NT\$3.5 billion.

Furthermore, Paiho Shih Holdings Corporation commits not to dispose of any material assets or rights and not to repurchase its stocks or reduce capital without the permissions of most of the creditor banks during the loan contract period.

A drawn loan of NT\$3,024,235 thousand was reclassified as current liabilities on December 31, 2022 as the current ratio from Paiho Shih Holdings Corporation at 2022 end did not meet the requirement under the covenant of the syndicated loan. The loan was reclassified as non-current liability after the requirement was waived in March 2023 through the consent from the mandate bank received by Hong Kong Best Expectation International Trading Limited. In addition, Paiho Shih Holdings Corporation has agreed to keep a debt ratio of 280% or lower before the consolidated financial statement from the second quarter, 2023. Also, for one year period, starting from the first rate adjustment date (the certificated date of 2022 consolidated financial statements) interest applied to the loan principal unpaid will be calculated using the reference rate plus 1.25%.

XIX. Other Payables

	March 31, 2023	December 31, 2022	March 31, 2022
Payables for salaries and bonuses	\$ 415,020	\$ 871,721	\$ 491,539
Payables for purchases of building and equipment	368,453	186,175	55,378
Payables for compensation of employees and remuneration of directors	60,769	106,447	101,176
Payable for dividends	-	-	1,424,238
Others	407,698	455,722	418,180
	<u>\$ 1,251,940</u>	<u>\$ 1,620,065</u>	<u>\$ 2,490,511</u>

XX. Retirement Benefit Plans

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2023 and 2022 are based on the pension cost rates under actuarial decision on December 31, 2022 and 2021. The amounts are NT\$4,466 thousand and NT\$4,354 thousand, respectively.

XXI. Maturity Analysis of Assets and Liabilities

The current and non-current classifications of the Group'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:

	<u>Within 1 Year</u>	<u>After 1 Year</u>	<u>Total</u>
<u>March 31, 2023</u>			
Assets			
Trade receivables	\$ 274	\$ -	\$ 274
Other receivables	2,627	-	2,627
Inventories – constructing	2,266,626	-	2,266,626
Other current assets	89,601	-	89,601
	<u>\$ 2,359,128</u>	<u>\$ -</u>	<u>\$ 2,359,128</u>
Liabilities			
Trade payables	\$ 109,348	\$ -	\$ 109,348
Other payables	15,833	-	15,833
Contractual liabilities	2,861	-	2,861
	<u>\$ 128,042</u>	<u>\$ -</u>	<u>\$ 128,042</u>
<u>December 31, 2022</u>			
Assets			
Trade receivables	\$ 273	\$ -	\$ 273
Other receivables	985	-	985
Inventories – constructing	2,273,955	-	2,273,955
Other current assets	89,928	-	89,928
	<u>\$ 2,365,141</u>	<u>\$ -</u>	<u>\$ 2,365,141</u>
<u>December 31, 2022</u>			
Liabilities			
Trade payables	\$ 404,329	\$ -	\$ 404,329
Other payables	42,736	-	42,736
Contractual liabilities	7,538	-	7,538
	<u>\$ 454,603</u>	<u>\$ -</u>	<u>\$ 454,603</u>
<u>March 31, 2022</u>			
Assets			
Trade receivables	\$ 429	\$ -	\$ 429
Other receivables	17,001	-	17,001
Inventories – constructing	3,110,142	-	3,110,142
Other current assets	188,529	-	188,529
	<u>\$ 3,316,101</u>	<u>\$ -</u>	<u>\$ 3,316,101</u>
Liabilities			
Trade payables	\$ 259,437	\$ -	\$ 259,437
Other payables	30,947	-	30,947
Contractual liabilities	1,100,699	-	1,100,699
	<u>\$ 1,391,083</u>	<u>\$ -</u>	<u>\$ 1,391,083</u>

XXII. Equity

(I) Common stock

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Number of shares authorized (in thousands)	<u>380,000</u>	<u>380,000</u>	<u>380,000</u>
Shares authorized	<u>\$ 3,800,000</u>	<u>\$ 3,800,000</u>	<u>\$ 3,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>297,964</u>	<u>297,964</u>	<u>297,964</u>
Shares issued	<u>\$ 2,979,639</u>	<u>\$ 2,979,639</u>	<u>\$ 2,979,639</u>

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.

The appropriation of earnings of the Corporation for 2022 and 2021 are as follows, respectively:

	2022	2021
Legal reserve	\$ 149,993	\$ 201,015
Special reserve	(\$ 566,711)	\$ 164,901
Cash dividends	\$ 744,910	\$ 1,042,874
Cash dividends per share (NT\$)	\$ 2.5	\$ 3.5

Cash dividends mentioned above were resolved for distribution from the Board meetings on April 20, 2023 and March 25, 2022, respectively. 2021 earning distribution proposals was resolved by the general shareholders' meeting on June 24, 2022. Distributions for 2022 earnings are pending for resolution in the the general shareholders' meeting on June 7, 2023.

(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

	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue from contracts with customers		
Revenue from sale of goods	\$ 2,978,963	\$ 4,075,753
Revenue from sale of real estate	<u>24,772</u>	<u>189,144</u>
	<u>\$ 3,003,735</u>	<u>\$ 4,264,897</u>
Operating cost		
Cost of goods sold	\$ 2,047,894	\$ 2,573,853
Cost of real estate sold	<u>15,141</u>	<u>142,343</u>
	<u>\$ 2,063,035</u>	<u>\$ 2,716,196</u>

Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Contractual liabilities – current			
Sale of goods	\$ 20,843	\$ 25,020	\$ 89,858
Sales of real estate	<u>2,861</u>	<u>7,538</u>	<u>1,100,699</u>
	<u>\$ 23,704</u>	<u>\$ 32,558</u>	<u>\$ 1,190,557</u>

XXIV. Net Profit from Continuing Operations

(I) Finance costs

	January 1 to March 31, 2023	January 1 to March 31, 2022
Interest on bank borrowings	\$ 135,094	\$ 33,774
Interest on lease liabilities	<u>399</u>	<u>1,081</u>
	<u>\$ 135,493</u>	<u>\$ 34,855</u>

Information about capitalized interest:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Capitalized interest amount	\$ 445	\$ 4,587
Capitalization rate (%)	1.79	1.79-2.34

(II) Employee benefit expenses, depreciation and amortization expenses

By Nature	Operating Costs	Operating Expenses and Non-operating Expenses	Total
<u>January 1 to March 31, 2023</u>			
Short-term employee benefits	\$ 327,011	\$ 352,772	\$ 679,783
Post-employment benefits			
Defined contribution plans	36,941	17,488	54,429
Defined benefit plans (Note 20)	276	4,190	4,466
Other employee benefits	48,317	19,559	67,876
Depreciation expenses	325,024	58,242	383,266
Amortization expenses	321	502	823
<u>January 1 to March 31, 2022</u>			
Short-term employee benefits	498,171	429,299	927,470
Post-employment benefits			
Defined contribution plans	33,277	17,062	50,339
Defined benefit plans (Note 20)	312	4,042	4,354
Other employee benefits	39,419	16,058	55,477
Depreciation expenses	274,601	55,867	330,468
Amortization expenses	31	229	260

(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 remuneration of employees and directors estimated from January 1 to March 31, 2023 and 2022 are as follows:

	<u>January 1 to March 31, 2023</u>		<u>January 1 to March 31, 2022</u>	
	<u>Accrual Rate</u>	<u>Amount</u>	<u>Accrual Rate</u>	<u>Amount</u>
Employees' compensation	1.33%	\$ 2,406	1.43%	\$ 9,055
Remuneration of directors	0.86%	1,551	0.92%	5,837

If the amount of the annual consolidated financial report is still subject to changes after the date of publication, such changes shall be treated as accounting estimate changes and adjusted and recorded in the next year.

The Corporation held its board meetings on March 15, 2023 and March 25, 2022. The actual amount of remuneration of employees and directors was different from the amount recognized in the annual consolidated financial report, and the differences were adjusted to the profit and loss for 2023 and 2022, respectively.

	2022		2021	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amount resolved in the board of directors' meeting	\$ 26,736	\$ 17,233	\$ 36,220	\$ 23,347
Amount recognized in annual financial statements	\$ 26,441	\$ 17,043	\$ 36,372	\$ 23,458

Information on the employees' compensation and remuneration of directors resolved by the board of directors for the period of 2023 and 2022 is available on the Market Observation Post System website of the TWSE.

(IV) Gains or losses on foreign currency exchange

	January 1 to March 31, 2023	January 1 to March 31, 2022
Foreign exchange gains	\$ 40,883	\$ 39,249
Foreign exchange losses	(61,330)	(19,455)
Net gains (losses)	(\$ 20,447)	\$ 19,794

XXV. Income Taxes

(I) Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Current tax		
In respect of the current period	\$ 21,212	\$ 219,261
Adjustment for previous year	(2,164)	(47,660)
Land value increment tax	<u>1,800</u>	<u>2,880</u>
	20,848	174,481
Deferred tax		
In respect of the current period	<u>7,895</u>	<u>64,932</u>
Income tax expense recognized in profit or loss	\$ 28,743	\$ 239,413

(II) Income tax recognized in other comprehensive income

	January 1 to March 31, 2023	January 1 to March 31, 2022
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	<u>\$ 7,075</u>	<u>\$ 70,440</u>

(III) Income tax assessments

The Corporation's and Spring Rich Limited's tax filings as of the end of 2021 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\$)
<u>January 1 to March 31, 2023</u>			
Basic earnings per share			
Net profit attributable to owners of the Corporation	\$ 135,341	297,964	<u>\$ 0.45</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	<u>-</u>	<u>406</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 135,341</u>	<u>298,370</u>	<u>\$ 0.45</u>
<u>January 1 to March 31, 2022</u>			
Basic earnings per share			
Net profit attributable to owners of the Corporation	\$ 463,926	297,964	<u>\$ 1.56</u>
Effect of potentially dilutive ordinary shares			
Employees' compensation	<u>-</u>	<u>599</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 463,926</u>	<u>298,563</u>	<u>\$ 1.55</u>

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. 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

<u>March 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Financial assets at FVTPL</u>			
Equity instrument investment			
– Structured deposits	\$ -	\$ 141,799	\$ -
 <u>December 31, 2022</u>			
<u>Financial assets at FVTPL</u>			
Equity instrument investment			
– Structured deposits	\$ -	\$ 141,102	\$ -
 <u>March 31, 2022</u>			
<u>Financial assets at FVTOCI</u>			
Equity instrument investment			
– Foreign unlisted shares	\$ -	\$ -	\$ 4,178

From January 1 to March 31, 2023, there was no transfer of fair value measurement between level 1 and level 2.

2. Adjustments of Level 3 fair value measurements of financial instruments

Financial assets at FVTOCI – equity instruments

	January 1 to March 31, 2022
Beginning balance at January 1	\$ -
Recognition in other comprehensive income of unrealized gain/(loss) on financial assets at FVTOCI	4,178
Ending balance at March 31	<u>\$ 4,178</u>

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

Financial Instruments Category	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 year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

(III) Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 141,799	\$ 141,102	\$ -
Financial assets at amortized cost (Note 1)	6,719,280	6,423,053	7,605,207
Financial assets at FVTOCI	-	-	4,178
<u>Financial liabilities</u>			
At amortized cost (Note 2)	14,855,832	14,299,259	12,878,632

Note 1: The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, 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, short-term notes payable, notes payable, trade payables, other payables and long-term borrowings (including current portion), 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 31.

Sensitivity analysis

The Group is mainly exposed to the exchange rate fluctuation of USD, RMB, VND and 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 RMB, the VND 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.

Currencies	Impact on Profit and Loss	
	January 1 to March 31, 2023	January 1 to March 31, 2022
USD	\$ 7,410	\$ 13,341
RMB	1,702	674
HKD	190	196
VND	1	21

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

In 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.

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Short-term borrowings	\$1,682,855	\$1,498,297	\$ 683,964
Short term notes payable	-	-	900,000
Lease liabilities	52,338	55,931	85,731
Interest rate risk on cash flow			
Short-term borrowings	5,998,304	5,161,587	2,990,269
Long-term borrowings (including current portion)	5,368,292	5,357,700	4,803,916

Sensitivity analysis

The sensitivity analysis below was based on the 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 interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2023 and 2022 would have decreased/increased by NT\$7,104 thousand and NT\$4,871 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in 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 management believes the Group's credit risk was significantly reduced.

Trade receivables 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 March 31, 2023, December 31, 2022 and March 31, 2022, the Group had available unutilized bank loan facilities of NT\$13,211,358 thousand, NT\$12,427,305 thousand and NT\$13,791,901 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.

	Within 3 Months	3 Months to 1 Year	More than 1 Year
<u>March 31, 2023</u>			
Non-interest bearing	\$ 1,419,385	\$ 338,475	\$ 48,521
Lease liabilities	13,834	5,642	39,546
Short-term borrowings	2,084,011	5,597,148	-
Long-term borrowings	<u>46,255</u>	<u>115,938</u>	<u>5,206,099</u>
	<u>\$ 3,563,485</u>	<u>\$ 6,057,203</u>	<u>\$ 5,294,166</u>
<u>December 31, 2022</u>			
Non-interest bearing	\$ 2,139,033	\$ 126,691	\$ 15,951
Lease liabilities	5,598	17,071	46,863
Short-term borrowings	748,888	5,910,996	-
Long-term borrowings	<u>3,922,623</u>	<u>707,168</u>	<u>727,909</u>
	<u>\$ 6,816,142</u>	<u>\$ 6,761,926</u>	<u>\$ 790,723</u>
<u>March 31, 2022</u>			
Non-interest bearing	\$ 845,028	\$ 2,638,572	\$ 16,883
Lease liabilities	9,447	26,438	58,171
Short-term borrowings	1,230,042	2,444,191	-
Short term notes payable	900,000	-	-
Long-term borrowings	<u>83,856</u>	<u>415,225</u>	<u>4,304,835</u>
	<u>\$ 3,068,373</u>	<u>\$ 5,524,426</u>	<u>\$ 4,379,889</u>

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
<u>March 31, 2023</u>						
Lease liabilities	\$ 19,476	\$ 16,746	\$ 4,800	\$ 4,800	\$ 4,800	\$ 8,400
Long-term borrowing	<u>162,193</u>	<u>5,206,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 181,669</u>	<u>\$5,222,845</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 8,400</u>
<u>December 31, 2022</u>						
Lease liabilities	\$ 22,669	\$ 23,809	\$ 4,800	\$ 4,800	\$ 4,800	\$ 8,654
Long-term borrowing	<u>4,629,791</u>	<u>727,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$4,652,460</u>	<u>\$ 751,718</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 8,654</u>
<u>March 31, 2022</u>						
Lease liabilities	\$ 35,885	\$ 34,736	\$ 4,800	\$ 4,800	\$ 4,800	\$ 9,035
Long-term borrowing	<u>499,081</u>	<u>4,304,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 534,966</u>	<u>\$4,339,571</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ 9,035</u>

XXVIII. 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 Group and other related parties are disclosed below.

(I) Name of related party and relationship

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
A-Wei Cheng Chen	Other related parties
Cheng-Tsung Cheng	Other related parties
Sen-Mei Cheng	Other related parties
Kuo-Ian Cheng	Other related parties
I-Ming Lin	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
Ming-Chang Chiang	Other related parties

(II) Sales

<u>Category/Name of Related Party</u>	<u>January 1 to March 31, 2023</u>	<u>January 1 to March 31, 2022</u>
Other related parties	<u>\$ 23,506</u>	<u>\$ -</u>

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

(III) Lease agreements

<u>Accounting Item Posted</u>	<u>Related Parties Category/Name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Lease liabilities	Other related parties	<u>\$ 21,896</u>	<u>\$ 22,044</u>	<u>\$ 22,485</u>

Category/Name of Related Party	January 1 to March 31, 2023	January 1 to March 31, 2022
<u>Interest expense</u>		
Other related parties	\$ <u>92</u>	\$ <u>94</u>
<u>Lease expenses (included in cost of goods sold and operating expense)</u>		
Other related parties	\$ <u>356</u>	\$ <u>446</u>

It is determined by negotiation between the two parties with reference to the rental price in the neighboring area.

(IV) Endorsement/guarantee

Acquiring endorsement/guarantee

Category/Name of Related Party	March 31, 2023	December 31, 2022	March 31, 2022
Sen-Mei Cheng			
Endorsed amount	\$ 4,310,000	\$ 4,310,000	\$ 4,110,000
Actual borrowing amount	(<u>900,000</u>)	(<u>900,000</u>)	(<u>1,300,000</u>)
	\$ <u>3,410,000</u>	\$ <u>3,410,000</u>	\$ <u>2,810,000</u>

A portion of long- and short-term borrowing of the Corporation is endorsed by the Chairman of the Corporation.

Category/Name of Related Party	March 31, 2023	December 31, 2022	March 31, 2022
Sen-Mei Cheng and I-Ming Lin			
Endorsed amount	\$ 155,843	\$ 81,289	\$ 161,731
Actual borrowing amount	(<u>64,493</u>)	(<u>81,289</u>)	(<u>161,731</u>)
	\$ <u>91,350</u>	\$ <u>-</u>	\$ <u>-</u>

A portion of long term borrowing of the subsidiary is endorsed by the Chairman and Vice Chairman of the Corporation.

Category/Name of Related Party	March 31, 2023	December 31, 2022	March 31, 2022
Cheng-Tsung Cheng			
Endorsed amount	\$ 91,350	\$ 92,130	\$ 85,875
Actual borrowing amount	(<u>91,350</u>)	(<u>92,130</u>)	(<u>57,250</u>)
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>28,625</u>

A portion of short term borrowing of the subsidiary is endorsed by the Chairman of the subsidiary.

Category/Name of Related Party	March 31, 2023	December 31, 2022	March 31, 2022
Kuo-Ian Cheng			
Endorsed amount	\$ 15,291,308	\$ 15,330,745	\$ 14,404,499
Actual borrowing amount	(<u>10,241,712</u>)	(<u>9,210,417</u>)	(<u>6,103,412</u>)
	<u>\$ 5,049,596</u>	<u>\$ 6,120,328</u>	<u>\$ 8,301,087</u>

A portion of long- and short-term borrowing of the subsidiary is endorsed by the Chairman of the subsidiary.

(V) Remuneration of key management personnel

	January 1 to March 31, 2023	January 1 to March 31, 2022
Short-term employee benefits	\$ 20,786	\$ 38,888
Post-employment benefits	<u>281</u>	<u>110</u>
	<u>\$ 21,067</u>	<u>\$ 38,998</u>

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

XXIX. Pledged Assets as Collateral or for Security

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

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at amortized cost	\$ 64,395	\$ 117,634	\$ 293,035
Property, plant and equipment	<u>438,413</u>	<u>485,346</u>	<u>568,717</u>
	<u>\$ 512,808</u>	<u>\$ 602,980</u>	<u>\$ 861,752</u>

XXX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group at March 31, 2023, December 31, 2022 and March 31, 2022 were as follows:

(I) The Group's unrecognized commitments

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Acquisition of property, plant and equipment	<u>\$ 1,258,897</u>	<u>\$ 1,404,026</u>	<u>\$ 1,849,097</u>

(II) As of March 31, 2022, the Group had signed construction contracts but not yet paid for approximately \$435,196 thousand.

(III) 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.

(IV) 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.

(V) 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.

XXXI. 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:

	March 31, 2023			December 31, 2022		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD	\$ 41,839	30.45	\$ 1,273,398	\$ 31,132	30.71	\$ 956,064
RMB	38,418	4.431	170,230	25,801	4.408	113,731
VND	56,202,343	0.00128	71,939	165,657,715	0.00129	213,698
HKD	4,897	3.879	18,995	5,878	3.938	23,148
 <u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD	17,504	30.45	532,997	1,532	30.71	47,048
VND	56,090,622	0.00128	71,796	126,353,986	0.00129	162,997
	March 31, 2022					
	Foreign Currencies	Exchange Rate	NTD			
<u>Financial Assets</u>						
<u>Monetary items</u>						
USD	\$ 46,754	28.625	\$ 1,338,333			
VND	96,849,880	0.00124	119,610			
RMB	14,965	4.506	67,432			
HKD	6,431	3.656	23,512			
 <u>Financial Liabilities</u>						
<u>Monetary items</u>						
USD	147	28.625	4,208			
VND	95,154,911	0.00124	117,516			
HKD	1,065	3.656	3,894			

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.

Functional Currencies	January 1 to March 31, 2023		January 1 to March 31, 2022	
	Exchange Rate	Net Foreign Exchange Gains and Losses	Exchange Rate	Net Foreign Exchange Gains and Losses
RMB	4.441	(\$ 6,195)	4.406	(\$ 2,868)
NTD	1.00	(2,737)	1.00	28,990
USD	30.395	(553)	27.994	(6,337)
HKD	3.878	28	3.586	9
VND	0.00129	(10,990)	-	-
		(\$ 20,447)		\$ 19,794

XXXII. 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: None.
 5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 4.
 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 5.
 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 6.
 9. Trading in derivative instruments: None.
 10. Others: Intercompany relationships and significant intercompany transactions: See Table 7.
 11. Information of the investees: See Table 8.

(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 9.
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) ZThe amount and percentage of inventory purchase and the balance and percentage of the related payables at the end of the period: See Tables 6 and 7.
 - (2) The amount and percentage of sales and the balance and percentage of the related accounts receivable at the end of the period: See Tables 5 and 7.
 - (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 period 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, 6, and 7.ZZZ
 - (6) Other transactions with 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 7.

- (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 10.

XXXIII. 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'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	
	January 1 to March 31, 2023	January 1 to March 31, 2022	January 1 to March 31, 2023	January 1 to March 31, 2022
Production	\$2,978,963	\$4,042,244	\$ 290,892	\$ 782,133
Powder Coating	-	33,509	(121)	(6,293)
Construction	<u>24,772</u>	<u>189,144</u>	<u>(16,317)</u>	<u>5,850</u>
Total from continuing operations	<u>\$3,003,735</u>	<u>\$4,264,897</u>	274,454	781,690
Interest income			8,207	7,722
Other income and benefits			24,059	15,065
Net foreign currency exchange profit (loss)			(20,447)	19,794
Finance costs			(135,493)	(34,855)
Other expenses and losses			<u>(58,380)</u>	<u>(16,090)</u>
Profit before income tax			<u>\$ 92,400</u>	<u>\$ 773,326</u>

Segment profit represented the profit earned by each segment without interest income, subsidy revenue, shares of losses from associates using equity method, 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.

Table 1

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Financing Provided to Others

January 1 to March 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Item	Related Party	Highest Balance for the Period (Note 3 and 5)	Ending Balance (Note 4 and 5)	Actual Borrowing Amount (Note 4 and 7)	Interest Rate Range	Nature of Financing (Note 6)	Business Transaction Amount	Reason for Necessary Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1 and 2)	Aggregate Financing Limit (Notes 1 and 2)
													Name	Value		
1	Paiho Int'l Limited	Vietnam Paiho Limited	Receivable from related parties	Yes	\$ 395,444 (USD 13,433)	\$ 381,133 (USD 12,517)	\$ 381,133 (USD 12,517)	3.75%	Necessary for long-term and short-term financing	\$ -	Operating turnover	\$ -	—	\$ -	\$ 6,691,404	\$ 6,691,404
		PT. Paiho Indonesia	Receivable from related parties	Yes	243,555 (USD 8,000)	243,600 (USD 8,000)	91,350 (USD 3,000)	3.75%	Necessary for long-term financing	-	Operating turnover	-	—	-	6,691,404	6,691,404
2	Thomas Dynamic Material (jiangsu) Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Receivable from related parties	Yes	352,400 (RMB 80,000)	354,480 (RMB 80,000)	-	4.2%	Necessary for short-term financing	-	Operating turnover	-	—	-	1,997,858	1,997,858
		Shanghai Best Expectation Textile Trading Limited.	Receivable from related parties	Yes	89,040 (RMB 20,000)	88,620 (RMB 20,000)	-	3.4%	Necessary for short-term financing	-	Operating turnover	-	—	-	1,997,858	1,997,858
3	Paiho Shih Holdings Corporation	Vietnam Paihong Limited Company	Receivable from related parties	Yes	2,166,845 (USD 71,000)	2,161,950 (USD 71,000)	1,827,000 (USD 60,000)	3-month USD Libor rate, plus 1.28%, 3-month USD TAIFX rate, plus 1.15%, and 3-month USD TAIFX rate, plus 1.1%	Necessary for short-term financing	-	Operating turnover	-	—	-	2,227,955	2,227,955
4	Hon Shin Corp.	Vietnam Paihong Limited Company	Receivable from related parties	Yes	153,525 (USD 5,000)	152,250 (USD 5,000)	152,250 (USD 5,000)	3-month USD TAIFX rate, plus 1.1%	Necessary for short-term financing	-	Operating turnover	-	—	-	855,878	855,878
5	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (jiangsu) Co., Ltd.	Receivable from related parties	Yes	890,400 (RMB 200,000)	\$ 886,200 (RMB 200,000)	487,410 (RMB 110,000)	3.4%	Necessary for short-term financing	-	Operating turnover	-	—	-	1,244,552	1,244,552
		Wuxi Paihong Real Estate Co., Ltd.	Receivable from related parties	Yes	528,600 (RMB 120,000)	531,720 (RMB 120,000)	243,705 (RMB 55,000)	4.2%	Necessary for short-term financing	-	Operating turnover	-	—	-	3,111,380	3,111,380

Note 1: For borrowers with 50% or more voting shares directly or indirectly owned by the Corporation and Paiho Shih Holdings Corporation, the individual and total amount of financing applied shall not exceed the 40% of the lending entity's net worth.

Note 2: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation and Paiho Shih Holdings Corporation, the individual and total amount of lending to a borrower shall not exceed the lender's net worth.

Note 3: The highest New Taiwan dollar balance accumulated as of the current month is calculated by multiplying the highest foreign currency balance in the month of occurrence by the exchange rate of New Taiwan dollar on the day of occurrence.

Note 4: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 5: The highest balance accumulated as of the current month and the ending balance were loans approved by the board of directors.

Note 6: 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 7: Significant intercompany accounts and transactions have been eliminated.

TABLE 2

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Endorsement/Guarantee Provided

January 1 to March 31, 2023

(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)	\$ 11,784,369	\$ 29,655 (USD 1,000)	\$ 30,450 (USD 1,000)	\$ -	\$ -	0.26%	\$ 29,460,923	Y	—	—
		Zhong Yuan Xing Ye Company Ltd.	(Note 1)	11,784,369	30,005 (USD 1,000)	30,450 (USD 1,000)	-	-	0.26%	29,460,923	Y	—	—
		PT. Paiho Indonesia	(Note 1)	11,784,369	2,293,615 (USD 76,000)	2,314,200 (USD 76,000)	928,725 (USD 30,500)	-	19.64%	29,460,923	Y	—	—
1	Paiho Shih Holdings Corporation	Hon Shin Corp.	(Note 1)	5,569,888	88,995 (USD 3,000)	91,350 (USD 3,000)	-	-	1.64%	13,924,720	—	—	—
		Vietnam Paihong Limited Company	(Note 1)	5,569,888	5,452,764 (USD 183,000)	5,427,713 (USD 178,250)	4,592,408 (USD 150,818)	-	97.45%	13,924,720	—	—	—
		Hong Kong Best Expectation International Trading Limited	(Note 1)	5,569,888	4,458,000 (USD 150,000)	4,567,500 (USD 150,000)	3,654,000 (USD 120,000)	-	82%	13,924,720	—	—	—

Note 1: The relationship of endorsement/guarantee party and endorsee/guaranteed party should be the Corporation 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 to an affiliated enterprise, the amount shall not exceed the net value of the Corporation and Paiho Shih Holdings Corporation, respectively, and the total amount shall not exceed the limit of total endorsements/guarantees.

Note 3: For the Corporation's endorsements/guarantees to subsidiaries with more than 50% of their voting shares held, and the endorsements/guarantees of Paiho Shih Holdings Corporation to affiliated enterprises, the total amount shall not exceed 250% of the net value of the Corporation and Paiho Shih Holdings Corporation, respectively.

Note 4: The highest New Taiwan dollar balance accumulated as of the current month is calculated by multiplying the highest foreign currency balance in the month of occurrence by the exchange rate of New Taiwan dollar on the day of occurrence.

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
 March 31, 2023
 (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	End of Period				Remark
				Number of Shares	Carrying Amount (Notes 1 and 2)	Shareholding Ratio	Fair Value (Notes 1 and 2)	
Wuxi Paisen Commerce Co., Ltd	<u>Financial management products</u> Fubon Huayi Bank – Yuexiangying RMB Structured Deposit (principal protection)	—	Financial assets measured at fair value through income statement – current	-	\$ 141,799 (RMB 32,000)	-	\$ 141,799 (RMB 32,000)	

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 27 for fair value information.

Table 4

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 March 31, 2023

(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, May 19, 2022 and January 6, 2023	RMB 140,756	As of March 31, 2023, RMB 139,914 has been paid	China Construction Dongfang Decoration Co., Ltd.	—	—	—	—	\$ -	Refer to market price and set out by mutual agreement.	Operating purpose	—
Vietnam Paihong Limited Company	Construction in progress	March 25, 2022 and May 10, 2022	VND 2,098,996,539	As of March 31, 2023, VND 1,616,560,575 has been paid	Newtecons Investment Construction Joint Stock Comapny	—	—	—	—	-	Refer to market price and set out by mutual agreement.	Operating purpose	—
Vietnam Paihong Limited Company	Construction in progress	August 25, 2022	VND 254,164,430	As of March 31, 2023, VND 166,665,011 has been paid	Acter Group Corporation Limited	—	—	—	—	-	Refer to market price and set out by mutual agreement.	Operating purpose	—
PT. Paiho Indonesia	Construction in progress	April 14, 2022, July 25, 2022 and November 15, 2022	IDR 184,700,000	As of March 31, 2023, IDR 135,670,000 has been paid	PT. Mega Dunia Konstruksindo	—	—	—	—	-	Refer to market price and set out by mutual agreement.	Operating purpose	—

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

Table 5

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 March 31, 2023

(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)		Remark
			Purchase/Sale	Amount (Note 2)	% to Total	Payment Terms	Unit Price	Payment Terms	Balance	Percentage of Total Notes and Trade Receivable (Payable)	
Vietnam Paiho Limited	He Mei Xing Ye Company Ltd.	(Note 1)	(Sales)	\$ 101,459 (USD 3,338)	(15%)	Payment to be received in approximately 3 months	At market price	About 3 months	\$ 46,345 (USD 1,522)	11%	—

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

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

Table 6

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

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

March 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	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)	\$ 381,133 (USD 12,517)	-	\$ -	—	\$ 29,658 (USD 974)	\$ -
Paiho Shih Holdings Corporation	Vietnam Paihong Limited Company	(Note 2)	1,848,498 (USD 60,706)	-	-	—	470,768 (USD 15,460)	-
Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (jiangsu) Co., Ltd.	(Note 2)	490,082 (RMB 110,603)	4.57	-	—	510 (RMB 115)	-
	Wuxi Paihong Real Estate Co., Ltd.	(Note 2)	246,076 (RMB 55,535)	-	-	—	-	-
Hon Shin Corp.	Vietnam Paihong Limited Company	(Note 2)	278,618 (USD 9,150)	-	-	—	153,491 (USD 5,041)	-

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 7

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Intercompany Relationships and Significant Transactions

January 1 to March 31, 2023

(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	He Mei Xing Ye Company Ltd.	(1)	Sales	\$ 45,226	About 3 months	2
		Vietnam Paiho Limited	(1)	Sales	29,790	About 3 months	1
		Dongguan Paihong Industry Co., Ltd.	(1)	Sales	21,185	About 3 months	1
1	Paiho Int'l Limited	Vietnam Paiho Limited	(1)	Receivable from related parties	USD 12,517	—	1
2	Thomas Dynamic Material (jiangsu) Co., Ltd	Dongguan Paihong Industry Co., Ltd.	(1)	Other payables	RMB 110,318	—	2
		Dongguan Paihong Industry Co., Ltd.	(1)	Sales	RMB 2,604	About 3 months	-
3	Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	(3)	Receivable from related parties	RMB 55,535	—	1
4	Zhong Yuan Xing Ye Company Ltd.	PT. Paiho Indonesia	(3)	Sales	USD 730	About 3 months	1
5	Paiho Shih Holdings Corporation	Vietnam Paihong Limited Company	(1)	Receivable from related parties	USD 60,495	—	6
		Vietnam Paihong Limited Company	(1)	Interest income	USD 1,011	—	1
		Vietnam Paihong Limited Company	(1)	Other income	USD 211	—	-
		Hon Shin Corp.	(1)	Other income	USD 601	—	1
6	Hon Shin Corp.	Vietnam Paihong Limited Company	(3)	Receivable from related parties	USD 5,008	—	1
		Vietnam Paihong Limited Company	(3)	Trade receivables	USD 4,142	About 3 months	1
7	Vietnam Paiho Limited	He Mei Xing Ye Company Ltd.	(2)	Sales	USD 3,338	About 3 months	3
		Paiho North America Corporation	(3)	Sales	USD 575	About 3 months	1
		PT. Paiho Indonesia	(3)	Sales	USD 526	About 3 months	1
8	Vietnam Paihong Limited Company	Hong Kong Best Expectation International Trading Limited	(2)	Sales	USD 1,999	About 3 months	2

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 8

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Information on Investees

January 1 to March 31, 2023

(In Thousands of New Taiwan Dollars or Foreign Currency)

Investor Company	Investee Company (Note 3)	Location	Main Businesses and Products	Original Investment Amount		Holding at the End of the Period			Profit/Loss of the Investee in the Current Period	Profit/Loss Recognized in the Current Period (Note 3)	Remark
				March 31, 2023	December 31, 2022	Number of Shares	Ratio	Carrying Amount (Note 3)			
The Corporation	Paiho Int'l Limited	British Virgin Islands	International investment	\$ 511,213	\$ 511,213	14,368,564	100%	\$ 7,094,069	\$ 104,271	\$ 93,404	Subsidiary
	Paiho Group Inc.	British Virgin Islands	International investment	390,818	390,818	10,285,631	100%	428,220	(32,573)	(32,413)	Subsidiary
	PT. Paiho Indonesia	Sukabumi, Indonesia	Production & marketing of touch fasteners, various type of webbings and elastics	536,266	536,266	178,200	99%	1,225,575	44,729	44,282	Subsidiary
	Paiho North America Corporation	California, USA	Sales of touch fasteners and various type of webbings	266,330	266,330	800,000	100%	247,420	6,392	6,392	Subsidiary
Paiho Int'l Limited	Spring Rich Limited	Changhua County, Taiwan	Extra processing of webbings	3,000	3,000	-	100%	6,012	54	54	Subsidiary
	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%	1,456,915	94,225	31,568	Indirect subsidiary of subsidiary
	Paiho Shih Holdings Corporation	British Cayman Islands	International investment	USD 22,869	USD 22,869	162,632,396	52%	2,856,224	(147,747)	(Note 1)	Indirect subsidiary
	He Mei Xing Ye Company Ltd.	British Samoa	Internal investment and trade	USD 16,263	USD 16,263	23,636,140	100%	3,134,729	189,138	(Note 1)	Indirect subsidiary
He Mei Xing Ye Company Ltd.	Zhong Yuan Xing Ye Company Ltd.	British Samoa	International trading	USD 5,760	USD 3,760	5,760,000	100%	47,085	(5,156)	(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%	12,380	44,729	(Note 1)	Subsidiary
	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%	2,970,395	94,225	(Note 1)	Indirect subsidiary of subsidiary
	Hong Kong Antex Limited.	Hong Kong	International investment	USD 54,335	USD 54,335	54,334,644	100%	4,759,951	(148,581)	(Note 1)	Indirect subsidiary of subsidiary
Paiho Shih Holdings Corporation	Hon Shin Corp.	British Samoa	Internal investment and trade	USD 20,000	USD 79,000	20,000,000	100%	307,398	(17,600)	(Note 1)	Indirect subsidiary of subsidiary
	Paiho Holdings Limited	British Virgin Islands	International investment	390,818	390,818	10,285,631	100%	428,217	(32,573)	(Note 1)	Indirect subsidiary
Paiho Holdings Limited	Braits Company Limited	British Virgin Islands	International investment	256,198	256,198	6,601,385	100%	320,331	3,050	(Note 1)	Indirect subsidiary of subsidiary
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Limited Company	Binh Duong, Vietnam	Production & marketing of mesh and other fabrics	USD 133,000	USD 133,000	-	100%	1,854,202	(92,575)	(Note 1)	Indirect subsidiary under several layers of holding
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Hong Kong	Internal investment and trade	USD 23,064	USD 23,064	23,063,700	100%	(1,536,508)	(133,655)	(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 9.

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

Table 9

TAIWAN PAIHO LIMITED AND SUBSIDIARIES

Information on Investment in Mainland China

January 1 to March 31, 2023

(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 Period	Outward and Inward Remittance of Funds		Cumulative Investment Amount Remitted out from Taiwan at the End of the Period	Net Income (loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) Recognized (Note 8)	Carrying Amount at the End of the Period (Note 8)	Accumulated Repatriation of Investment Income as of the End of the Current Period
					Outward	Inward						
Dongguan Paiho Business Service Co., Ltd.	Non-residential property leasing	\$ 152,741 (RMB 34,471)	(Note 1)	\$ -	\$ -	\$ -	\$ -	\$ 38	100%	\$ 38	\$ 151,043	\$ 1,214,739
Thomas Dynamic Material (jiangsu) Co., Ltd. (Note 7)	Processing of touch fasteners, webbing and embroidery	1,704,127 (RMB 384,592)	(Note 1)	511,620	-	-	511,620	(149,134)	52%	(76,867)	2,592,545	481,171
China Star International Limited	Production & marketing of powder coating	-	(Note 1)	60,278	-	-	60,278	(573)	-	(573)	31	369,921
Wuxi Paisen Commerce Co., Ltd	Non-residential property leasing	241,180 (RMB 54,430)	(Note 1)	258,391	-	-	258,391	3,040	100%	3,040	315,940	17,598
Dongguan Paihong Industry Co., Ltd (Note 7)	Production & marketing of touch fasteners, elastic, webbings, and jacquard engineered mesh, and consumer electronic accessories, etc.	1,581,991 (RMB 357,028)	(Note 1)	141,664	-	-	141,664	(3,652)	52%	(1,746)	1,610,511	195,107
Wuxi Paihong Real Estate Co., Ltd. (Note 7)	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	1,683,780 (RMB 380,000)	(Note 1)	(Note 2)	-	-	-	(28,677)	52%	(14,797)	1,414,808	-
Wuxi Paiwei Biotechnology Co. Ltd (Note 7)	Production & marketing of masks and non-woven fabrics	576,030 (RMB 130,000)	(Note 1)	(Note 3)	-	-	-	(13,033)	52%	(6,725)	141,298	-
Shanghai Best Expectation Textile Trading Limited (Note 7)	Internal investment and trade	753,270 (RMB 170,000)	(Note 1)	(Note 4)	-	-	-	(133,692)	52%	(68,985)	(792,840)	-

Cumulative Investment Amount Remitted out from Taiwan to the Mainland at the End of the Period	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
(\$ 796,256)(Note 8)	\$ 176,651 (USD 5,801)	No upper limit (Note 5)

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

Note 2: The investment project is funded by Thomas Dynamic Material (jiangsu) Co., Ltd.

Note 3: The investment is made by Hong Kong Antex Limited.

Note 4: The investment project is funded by Thomas Dynamic Material (jiangsu) Co., Ltd and Dongguan Paihong Industry Co., Ltd.

Note 5: Under the “Principles for the Review of Investment or Technological Joint Venture in mainland China” of the Investment Commission dated August 29, 2008, the Corporation 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 6: 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 7: With the reference to the reviewed financial statements of the parent company.

Note 8: Including the cumulative investment remitted out from Taiwan to Mainland China and the remitted investment income back to Taiwan as of the end of the current period.

Note 9: Significant intercompany accounts and transactions have been eliminated.

Table 10

TAIWAN PAIHO LIMITED

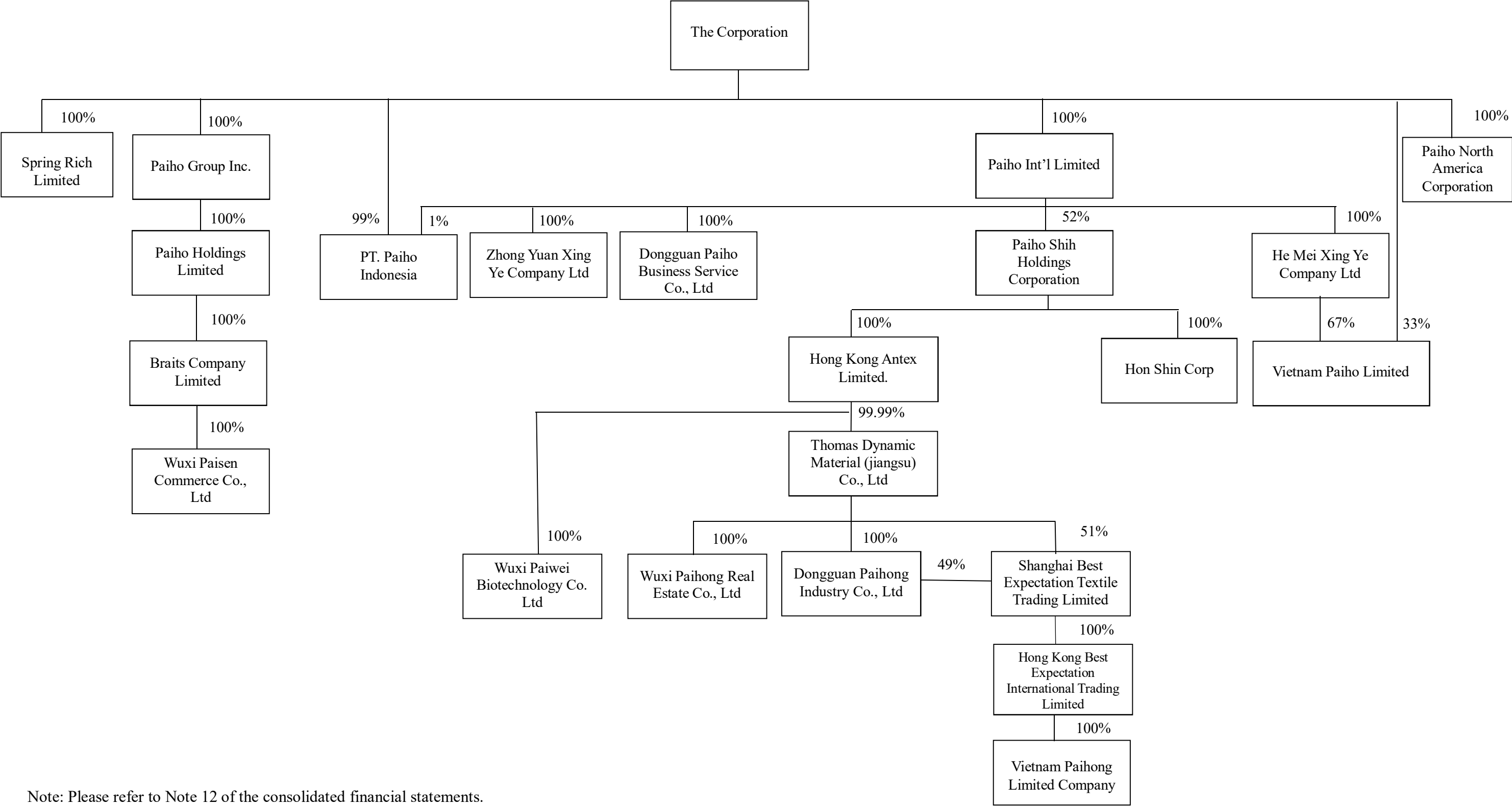
Information on Major Shareholders

March 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares Held (Shares)	Shareholding Ratio
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 11
TAIWAN PAIHO LIMITED
Investment Structure
March 31, 2023



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

Table 12
TAIWAN PAIHO LIMITED
Investment Structure
March 31, 2022

