

**Quang Viet Enterprise Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Quang Viet Enterprise Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Quang Viet Enterprise Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2023 and 2022, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2023 and 2022, and related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements of Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$2,105,413 thousand and NT\$1,851,380 thousand, respectively, representing 11% and 10%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,012,426 thousand and NT\$893,052 thousand, respectively, representing 11% and 9%, respectively, of the consolidated total liabilities; for the three months and six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$23,347 thousand, NT\$4,614 thousand, NT\$3,886 thousand and NT\$4,714 thousand, respectively, representing 8%, 1%, 1% and 1%, respectively, of the consolidated total comprehensive income. As disclosed in Note 14, the investments accounted for using the equity method, as of June 30, 2023 and 2022, were NT\$536,749 thousand and NT\$545,818 thousand, respectively, and the consolidated equity in these investees' net gain (loss) for the three months and six months ended June 30, 2023 and 2022 amounted to NT\$(2,048) thousand, NT\$18,088 thousand, NT\$10,017 thousand and NT\$34,297 thousand, respectively, and the related investment amounts are based on these investees' unreviewed financial statements. In addition, related investments

information on non-significant subsidiaries and associates stated above shown in Note 41 to the consolidated financial statements were also not reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, and its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022 and its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yi-Chen Lu and Yi-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 3, 2023

Notice to Readers

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

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 consolidated financial statements shall prevail.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2023		December 31, 2022		June 30, 2022	
	(Reviewed)		(Audited after Restatement)		(Reviewed after Restatement)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,887,807	10	\$ 3,765,488	23	\$ 2,475,919	13
Financial assets at fair value through profit or loss - current (Note 7)	74,298	1	43,659	-	35,378	-
Financial assets at amortized cost - current (Notes 9, 10 and 37)	2,018,956	11	1,151,686	7	1,205,972	6
Notes receivable (Note 26)	72	-	36	-	72	-
Trade receivables (Notes 11, 26 and 36)	3,187,325	17	1,815,709	11	2,934,455	16
Other receivables (Note 19)	48,160	-	51,445	-	54,955	-
Current tax assets (Note 4)	3,884	-	15,385	-	3,714	-
Inventories (Note 12)	5,623,257	30	4,237,872	26	6,974,232	37
Prepayments (Note 19)	235,641	1	204,171	1	339,267	2
Other current assets	4,809	-	7,155	-	4,854	-
Total current assets	<u>13,084,209</u>	<u>70</u>	<u>11,292,606</u>	<u>68</u>	<u>14,028,818</u>	<u>74</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	80,345	1	77,628	1	78,711	-
Financial asset at amortized cost - non-current (Notes 9 and 10)	202,382	1	60,000	-	60,000	-
Investments accounted for using the equity method (Note 14)	536,749	3	539,177	3	545,818	3
Property, plant and equipment (Note 15)	3,376,751	18	3,098,359	19	3,012,016	16
Right-of-use assets (Note 16)	578,241	3	622,077	4	591,124	3
Investment properties (Note 17)	214,465	1	102,134	1	105,985	1
Other intangible assets (Note 18)	390,670	2	383,685	2	364,413	2
Deferred tax assets (Note 4)	215,849	1	173,068	1	208,130	1
Prepayments for equipment	17,520	-	8,471	-	1,451	-
Refundable deposits	32,369	-	32,987	-	40,365	-
Net defined benefit assets (Notes 4 and 24)	15,923	-	14,001	-	5,561	-
Other non-current assets (Note 19)	37,714	-	81,967	1	25,263	-
Total non-current assets	<u>5,698,978</u>	<u>30</u>	<u>5,193,554</u>	<u>32</u>	<u>5,038,837</u>	<u>26</u>
TOTAL	<u>\$ 18,783,187</u>	<u>100</u>	<u>\$ 16,486,160</u>	<u>100</u>	<u>\$ 19,067,655</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 3,311,346	18	\$ 1,267,924	8	\$ 4,394,007	23
Contract liabilities - current (Note 26)	87,690	-	85,726	1	81,669	1
Notes payable (Note 22)	18,033	-	22,847	-	13,553	-
Trade payables to unrelated parties (Note 22)	813,467	4	806,195	5	1,235,078	7
Trade payables to related parties (Notes 22 and 36)	144,701	1	154,815	1	320,969	2
Dividends payable (Note 32)	867,633	5	78,573	-	451,927	2
Other payables to unrelated parties (Note 23)	1,112,823	6	1,104,281	7	1,182,835	6
Other payables to related parties (Note 36)	121,156	1	169,333	1	218,238	1
Current tax liabilities (Note 4)	230,446	1	411,377	3	203,063	1
Lease liabilities - current (Note 16)	27,993	-	35,579	-	30,920	-
Current portion of bonds payable (Note 21)	-	-	-	-	1,493,207	8
Current portion of long-term borrowings (Note 20)	39,000	-	59,372	-	39,872	-
Other current liabilities	10,416	-	11,530	-	4,799	-
Total current liabilities	<u>6,784,704</u>	<u>36</u>	<u>4,207,552</u>	<u>26</u>	<u>9,670,137</u>	<u>51</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	1,432,704	8	1,418,366	9	-	-
Long-term borrowings (Note 20)	407,500	2	457,557	3	138,243	1
Deferred tax liabilities (Note 4)	438,012	2	428,768	2	461,480	2
Lease liabilities - non-current (Note 16)	191,902	1	204,007	1	206,683	1
Deferred revenue (Notes 23 and 30)	17,238	-	-	-	-	-
Guarantee deposits received	7,962	-	2,163	-	877	-
Total non-current liabilities	<u>2,495,318</u>	<u>13</u>	<u>2,510,861</u>	<u>15</u>	<u>807,283</u>	<u>4</u>
Total liabilities	<u>9,280,022</u>	<u>49</u>	<u>6,718,413</u>	<u>41</u>	<u>10,477,420</u>	<u>55</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	1,034,255	6	1,033,809	6	1,033,753	5
Bond conversion entitlement certificates	-	-	446	-	-	-
Total share capital	<u>1,034,255</u>	<u>6</u>	<u>1,034,255</u>	<u>6</u>	<u>1,033,753</u>	<u>5</u>
Capital surplus	<u>3,082,598</u>	<u>16</u>	<u>3,083,508</u>	<u>19</u>	<u>2,951,918</u>	<u>16</u>
Retained earnings						
Legal reserve	973,126	5	855,395	5	855,395	4
Special reserve	324,770	2	496,737	3	496,737	3
Unappropriated earnings	<u>2,353,501</u>	<u>13</u>	<u>2,793,019</u>	<u>17</u>	<u>1,959,831</u>	<u>10</u>
Total retained earnings	<u>3,651,397</u>	<u>20</u>	<u>4,145,151</u>	<u>25</u>	<u>3,311,963</u>	<u>17</u>
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(294,168)	(2)	(291,862)	(2)	(316,227)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	<u>(30,191)</u>	<u>-</u>	<u>(32,908)</u>	<u>-</u>	<u>(37,230)</u>	<u>-</u>
Total other equity	<u>(324,359)</u>	<u>(2)</u>	<u>(324,770)</u>	<u>(2)</u>	<u>(353,457)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	<u>7,443,891</u>	<u>40</u>	<u>7,938,144</u>	<u>48</u>	<u>6,944,177</u>	<u>36</u>
NON-CONTROLLING INTERESTS (Note 25)	<u>2,059,274</u>	<u>11</u>	<u>1,829,603</u>	<u>11</u>	<u>1,646,058</u>	<u>9</u>
Total equity	<u>9,503,165</u>	<u>51</u>	<u>9,767,747</u>	<u>59</u>	<u>8,590,235</u>	<u>45</u>
TOTAL	<u>\$ 18,783,187</u>	<u>100</u>	<u>\$ 16,486,160</u>	<u>100</u>	<u>\$ 19,067,655</u>	<u>100</u>

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

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 36)	\$ 4,753,159	100	\$ 4,824,049	100	\$ 7,410,343	100	\$ 7,830,598	100
OPERATING COSTS (Notes 12, 27 and 36)	<u>(3,970,102)</u>	<u>(84)</u>	<u>(3,902,202)</u>	<u>(81)</u>	<u>(6,236,998)</u>	<u>(84)</u>	<u>(6,492,229)</u>	<u>(83)</u>
GROSS PROFIT	<u>783,057</u>	<u>16</u>	<u>921,847</u>	<u>19</u>	<u>1,173,345</u>	<u>16</u>	<u>1,338,369</u>	<u>17</u>
OPERATING EXPENSES (Notes 24 and 27)								
Selling and marketing expenses	(56,368)	(1)	(60,699)	(1)	(110,761)	(2)	(104,315)	(2)
General and administrative expenses	(267,805)	(6)	(285,010)	(6)	(533,441)	(7)	(533,708)	(7)
Research and development expenses	(53,585)	(1)	(48,836)	(1)	(103,323)	(1)	(93,994)	(1)
Expected credit loss (Notes 11 and 19)	<u>(5,422)</u>	<u>-</u>	<u>(1,808)</u>	<u>-</u>	<u>(1,291)</u>	<u>-</u>	<u>(6,408)</u>	<u>-</u>
Total operating expenses	<u>(383,180)</u>	<u>(8)</u>	<u>(396,353)</u>	<u>(8)</u>	<u>(748,816)</u>	<u>(10)</u>	<u>(738,425)</u>	<u>(10)</u>
PROFIT FROM OPERATIONS	<u>399,877</u>	<u>8</u>	<u>525,494</u>	<u>11</u>	<u>424,529</u>	<u>6</u>	<u>599,944</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 27 and 36)								
Interest income	35,782	1	11,699	-	71,235	1	24,468	-
Other income	8,234	-	13,081	-	20,262	-	28,359	-
Other gains and losses	32,408	1	13,983	-	1,410	-	4,841	-
Finance costs	(44,043)	(1)	(17,297)	-	(69,370)	(1)	(30,764)	-
Share of profit of associates	<u>(2,048)</u>	<u>-</u>	<u>18,088</u>	<u>1</u>	<u>10,017</u>	<u>-</u>	<u>34,297</u>	<u>1</u>
Total non-operating income and expenses	<u>30,333</u>	<u>1</u>	<u>39,554</u>	<u>1</u>	<u>33,554</u>	<u>-</u>	<u>61,201</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	430,210	9	565,048	12	458,083	6	661,145	8
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(129,820)</u>	<u>(3)</u>	<u>(165,053)</u>	<u>(4)</u>	<u>(137,718)</u>	<u>(2)</u>	<u>(197,266)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>300,390</u>	<u>6</u>	<u>399,995</u>	<u>8</u>	<u>320,365</u>	<u>4</u>	<u>463,879</u>	<u>6</u>

(Continued)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 28)								
Items that will not be subsequently reclassified to profit or loss:								
Unrealized profit or loss on investments in equity instruments at fair value through other comprehensive income	(682)	-	(6,159)	-	2,717	-	(8,536)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(19,296)	-	9,606	-	883	-	235,558	3
Income tax related to items that may be reclassified subsequently to profit or loss	4,149	-	(1,816)	-	173	-	(40,308)	(1)
	(15,147)	-	7,790	-	1,056	-	195,250	2
Other comprehensive income (loss) for the year, net of income tax	(15,829)	-	1,631	-	3,773	-	186,714	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 284,561</u>	<u>6</u>	<u>\$ 401,626</u>	<u>8</u>	<u>\$ 324,138</u>	<u>4</u>	<u>\$ 650,593</u>	<u>8</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 255,617	5	\$ 334,094	7	\$ 209,539	3	\$ 344,122	4
Non-controlling interests	44,773	1	65,901	1	110,826	1	119,757	2
	<u>\$ 300,390</u>	<u>6</u>	<u>\$ 399,995</u>	<u>8</u>	<u>\$ 320,365</u>	<u>4</u>	<u>\$ 463,879</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 235,643	5	\$ 330,518	7	\$ 209,950	3	\$ 487,402	6
Non-controlling interests	48,918	1	71,108	1	114,188	1	163,191	2
	<u>\$ 284,561</u>	<u>6</u>	<u>\$ 401,626</u>	<u>8</u>	<u>\$ 324,138</u>	<u>4</u>	<u>\$ 650,593</u>	<u>8</u>
EARNINGS PER SHARE (Note 29)								
Basic	<u>\$ 2.48</u>		<u>\$ 3.23</u>		<u>\$ 2.03</u>		<u>\$ 3.33</u>	
Diluted	<u>\$ 2.29</u>		<u>\$ 2.98</u>		<u>\$ 1.94</u>		<u>\$ 3.10</u>	

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

(Concluded)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Other Equity		Non-controlling Interests	Total Equity
	Share Capital			Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
	Shares (In Thousands)	Share Capital	Bond Conversion Entitlement Certificates		Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	103,375	\$ 1,033,753	\$ -	\$ 2,951,918	\$ 794,021	\$ 435,908	\$ 2,172,088	\$ (468,043)	\$ (28,694)	\$ 1,500,618	\$ 8,391,569
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	61,374	-	(61,374)	-	-	-	-
Special reserve	-	-	-	-	-	60,829	(60,829)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(434,176)	-	-	-	(434,176)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(17,751)	(17,751)
Net profit for the six months ended June 30, 2022	-	-	-	-	-	-	344,122	-	-	119,757	463,879
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	-	151,816	(8,536)	43,434	186,714
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	344,122	151,816	(8,536)	163,191	650,593
BALANCE AT JUNE 30, 2022	<u>103,375</u>	<u>\$ 1,033,753</u>	<u>\$ -</u>	<u>\$ 2,951,918</u>	<u>\$ 855,395</u>	<u>\$ 496,737</u>	<u>\$ 1,959,831</u>	<u>\$ (316,227)</u>	<u>\$ (37,230)</u>	<u>\$ 1,646,058</u>	<u>\$ 8,590,235</u>
BALANCE AT JANUARY 1, 2023	103,381	\$ 1,033,809	\$ 446	\$ 3,083,508	\$ 855,395	\$ 496,737	\$ 2,793,019	\$ (291,862)	\$ (32,908)	\$ 1,829,603	\$ 9,767,747
Appropriation of 2022 earnings											
Legal reserve	-	-	-	-	117,731	-	(117,731)	-	-	-	-
Special reserve	-	-	-	-	-	(171,967)	171,967	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(703,293)	-	-	-	(703,293)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(103,440)	(103,440)
Net profit (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	209,539	-	-	110,826	320,365
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	(2,306)	2,717	3,362	3,773
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	209,539	(2,306)	2,717	114,188	324,138
Convertible bonds converted to ordinary shares	44	446	(446)	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	215,612	215,612
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(2,043)	-	-	-	-	-	2,043	-
Share-based payment	-	-	-	1,133	-	-	-	-	-	1,268	2,401
BALANCE AT JUNE 30, 2023	<u>103,425</u>	<u>\$ 1,034,255</u>	<u>\$ -</u>	<u>\$ 3,082,598</u>	<u>\$ 973,126</u>	<u>\$ 324,770</u>	<u>\$ 2,353,501</u>	<u>\$ (294,168)</u>	<u>\$ (30,191)</u>	<u>\$ 2,059,274</u>	<u>\$ 9,503,165</u>

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

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 458,083	\$ 661,145
Adjustments for:		
Depreciation expense	190,269	170,606
Amortization expense	3,680	3,188
Expected credit loss recognized on trade receivables	1,291	6,408
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(11,557)	986
Finance costs	69,370	30,764
Interest income	(71,235)	(24,468)
Dividend income	(349)	(212)
Share-based payment	2,401	-
Share of profit of associates	(10,017)	(34,297)
Loss on disposal of property, plant and equipment	627	4,586
Write-down of inventories	36,098	-
Gain on lease modifications	-	(8,716)
Changes in operating assets and liabilities		
Notes receivable	(36)	(60)
Trade receivables	(1,372,402)	(906,866)
Other receivables	9,897	(20,304)
Inventories	(1,420,950)	(2,776,585)
Prepayments	(31,470)	(140,028)
Other current assets	2,346	375
Other non-current assets	826	(491)
Contract liabilities	1,964	(89,947)
Notes payable	(4,814)	6,151
Trade payables	7,272	507,595
Trade payables to related parties	(10,114)	203,844
Other payables	6,082	176,802
Other payables to related parties	(48,177)	62,700
Deferred revenue	17,238	-
Other current liabilities	(1,114)	(2,889)
Net defined benefit liabilities	(1,922)	(1,367)
Cash used in operations	(2,176,713)	(2,171,080)
Interest paid	(51,037)	(19,569)
Income tax paid	(340,780)	(144,495)
Net cash used in operating activities	<u>(2,568,530)</u>	<u>(2,335,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(1,009,652)	-
Proceeds from sale of financial assets at amortized cost	-	489,194
Purchase of financial assets at fair value through profit or loss	(26,644)	(60,237)

(Continued)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2023	2022
Proceeds from sale of financial assets at fair value through profit or loss	\$ 7,562	\$ 104,168
Payments for property, plant and equipment	(450,074)	(109,517)
Proceeds from disposal of property, plant and equipment	8,917	6,547
Increase in refundable deposits	-	(3,873)
Decrease in refundable deposits	618	-
Payments for intangible assets	(1,930)	(993)
Increase in prepayments for equipment	(50,493)	(1,134)
Interest received	64,514	18,658
Other dividends received	478	424
Net cash (used in) generated from investing activities	<u>(1,456,704)</u>	<u>443,237</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	2,043,422	2,467,806
Repayments of long-term borrowings	(70,429)	(10,185)
Proceeds from guarantee deposits received	5,799	-
Repayments of guarantee deposits received	-	(113)
Repayments of the principal portion of lease liabilities	(22,591)	(21,510)
Dividends paid to non-controlling interests	(15,275)	-
Increase in non-controlling interests	215,612	-
Net cash generated from financing activities	<u>2,156,538</u>	<u>2,435,998</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(8,985)</u>	<u>112,428</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,877,681)	656,519
CASH AND CASH EQUIVALENTS AT JANUARY 1, 2023	<u>3,765,488</u>	<u>1,819,400</u>
CASH AND CASH EQUIVALENTS JUNE 30, 2023	<u>\$ 1,877,807</u>	<u>\$ 2,475,919</u>

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

(Concluded)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Quang Viet Enterprise Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in October 1995. The Company and its subsidiaries (the “Group”) is mainly engaged in the manufacturing, processing and sale of garments, raw material such as feather and down and medical products.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange (TWSE) since October 18, 2016.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 3, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. 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)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Group applied the original IAS 12 in the current year, [the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

Impact on assets, liabilities and equity for 2023

	<u>June 30, 2023</u>
Increase in deferred tax assets	\$ 6,282
Increase in assets	<u>\$ 6,282</u>
Increase in deferred tax liabilities	\$ 6,282
Increase in liabilities	<u>\$ 6,282</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for 2022

	<u>As Originally Stated</u>	<u>Adjustments Arising from Initial Application</u>	<u>Restated</u>
<u>December 31, 2022</u>			
Deferred tax assets	\$ 165,353	\$ 7,715	\$ 173,068
Total effect on assets	<u>\$ 165,353</u>	<u>\$ 7,715</u>	<u>\$ 173,068</u>
Deferred tax liabilities	\$ 421,053	\$ 7,715	\$ 428,768
Total effect on liabilities	<u>\$ 421,053</u>	<u>\$ 7,715</u>	<u>\$ 428,768</u>
<u>June 30, 2022</u>			
Deferred tax assets	\$ 199,736	\$ 8,394	\$ 208,130
Total effect on assets	<u>\$ 199,736</u>	<u>\$ 8,394</u>	<u>\$ 208,130</u>
Deferred tax liabilities	\$ 453,086	\$ 8,394	\$ 461,480
Total effect on liabilities	<u>\$ 453,086</u>	<u>\$ 8,394</u>	<u>\$ 461,480</u>
<u>January 1, 2022</u>			
Deferred tax assets	\$ 207,993	\$ 1,959	\$ 209,952
Total effect on assets	<u>\$ 207,993</u>	<u>\$ 1,959</u>	<u>\$ 209,952</u>
Deferred tax liabilities	\$ 403,168	\$ 1,959	\$ 405,127
Total effect on liabilities	<u>\$ 403,168</u>	<u>\$ 1,959</u>	<u>\$ 405,127</u>

- b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 “Leases Liability 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 12 “International Tax Reform - Pillar Two Model	Note 3

Rules”

- Note 1: Unless stated otherwise, the above 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.
- Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the

Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes.

4) Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulate that the Group shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows and on the Group's exposure to liquidity risk.

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

4. SUMMARY OF MATERIAL POLICY INFORMATION

a. 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 financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligations 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 based on 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); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

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 Company 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 Company.

See Note 13, Table 8 and Table 9 of Note 41 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

3) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

For the material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2022

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 8,491	\$ 7,012	\$ 6,717
Checking accounts and demand deposits	679,865	1,063,315	961,132
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	1,189,451	2,695,161	1,508,070
Short-term notes	<u>10,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,887,807</u>	<u>\$ 3,765,488</u>	<u>\$ 2,475,919</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets			
Redemption value of bonds	\$ 150	\$ 450	\$ -
Non-derivative financial assets			
Domestic listed shares	65,724	40,320	24,148
Domestic bonds	<u>8,424</u>	<u>2,889</u>	<u>11,230</u>
	<u>\$ 74,298</u>	<u>\$ 43,659</u>	<u>\$ 35,378</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 74,393	\$ 71,676	\$ 72,219
Unlisted shares	<u>5,952</u>	<u>5,952</u>	<u>6,492</u>
	<u>\$ 80,345</u>	<u>\$ 77,628</u>	<u>\$ 78,711</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months			
	\$ 2,011,956	\$ 1,144,686	\$ 1,198,972
Pledged time deposits	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
	<u>\$ 2,018,956</u>	<u>\$ 1,151,686</u>	<u>\$ 1,205,972</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months			
	<u>\$ 202,382</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

- a. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
- b. Refer to Note 37 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Gross carrying amount			
Current	\$ 2,018,956	\$ 1,151,686	\$ 1,205,972
Non-current	202,382	60,000	60,000
Less: Allowance for impairment loss	-	-	-
Amortized cost	<u>\$ 2,221,338</u>	<u>\$ 1,211,686</u>	<u>\$ 1,265,972</u>

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to the degree of risk of default. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate the debtors.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default of each credit rating supplied by internal rating agencies and the current financial condition of debtors. The Group's current credit risk grading mechanism is as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were shown below:

Category	Expected Loss Rate	Gross Carrying Amount at Amortized Cost		
		June 30, 2023	December 31, 2022	June 30, 2022
Performing	0%-0.01%	<u>\$ 2,221,338</u>	<u>\$ 1,211,686</u>	<u>\$ 1,265,972</u>

11. TRADE RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 3,220,772	\$ 1,845,093	\$ 2,965,857
Less: Allowance for impairment loss	<u>(33,447)</u>	<u>(29,384)</u>	<u>(31,402)</u>
	<u>\$ 3,187,325</u>	<u>\$ 1,815,709</u>	<u>\$ 2,934,455</u>

The average credit period of sales of goods is 30-90 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining 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 at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence 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 following table details the loss allowance of trade receivables based on the Group's provision matrix:

June 30, 2023

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%~1.13%	0.01%~1.77%	0.01%~11.34%	0.01%~22.67%	0.01%~35.48%	100%	
Gross carrying amount	\$ 1,911,521	\$ 802,706	\$ 423,711	\$ 43,093	\$ 28,786	\$ 10,955	\$ 3,220,772
Loss allowance (Lifetime ECLs)	<u>(3,847)</u>	<u>(3,350)</u>	<u>(3,008)</u>	<u>(4,719)</u>	<u>(7,568)</u>	<u>(10,955)</u>	<u>(33,447)</u>
Amortized cost	<u>\$ 1,907,674</u>	<u>\$ 799,356</u>	<u>\$ 420,703</u>	<u>\$ 38,374</u>	<u>\$ 21,218</u>	<u>\$ -</u>	<u>\$ 3,187,325</u>

December 31, 2022

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%~1.44%	0.01%~2.89%	0.01%~14.43%	0.01%~29.96%	0.01%~37.94%	100%	
Gross carrying amount	\$ 1,319,680	\$ 382,392	\$ 57,643	\$ 54,195	\$ 21,842	\$ 9,341	\$ 1,845,093
Loss allowance (Lifetime ECLs)	<u>(3,724)</u>	<u>(2,333)</u>	<u>(1,705)</u>	<u>(6,613)</u>	<u>(5,668)</u>	<u>(9,341)</u>	<u>(29,384)</u>
Amortized cost	<u>\$ 1,315,956</u>	<u>\$ 380,059</u>	<u>\$ 55,938</u>	<u>\$ 47,582</u>	<u>\$ 16,174</u>	<u>\$ -</u>	<u>\$ 1,815,709</u>

June 30, 2022

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%~1.65%	0.01%~3.31%	0.01%~16.54%	0.01%~33.08%	0.01%~82.73%	100%	
Gross carrying amount	\$ 2,152,276	\$ 516,514	\$ 221,176	\$ 57,764	\$ 9,390	\$ 8,737	\$ 2,965,857
Loss allowance (Lifetime ECLs)	<u>(3,914)</u>	<u>(2,504)</u>	<u>(4,331)</u>	<u>(4,237)</u>	<u>(7,679)</u>	<u>(8,737)</u>	<u>(31,402)</u>
Amortized cost	<u>\$ 2,148,362</u>	<u>\$ 514,010</u>	<u>\$ 216,845</u>	<u>\$ 53,527</u>	<u>\$ 1,711</u>	<u>\$ -</u>	<u>\$ 2,934,455</u>

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

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 29,384	\$ 27,975
Add: Impairment losses recognized	1,203	6,408
Add: Amounts recovered	3,277	-
Less: Amounts written off	-	(3,508)
Foreign exchange gains and losses	<u>(417)</u>	<u>527</u>
Balance at June 30	<u>\$ 33,447</u>	<u>\$ 31,402</u>

12. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials	\$ 1,546,300	\$ 1,763,688	\$ 2,063,095
Work in progress	2,477,322	1,603,179	3,707,615
Finished goods	<u>1,599,635</u>	<u>871,005</u>	<u>1,203,522</u>
	<u>\$ 5,623,257</u>	<u>\$ 4,237,872</u>	<u>\$ 6,974,232</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Cost of inventories sold	\$ 3,951,086	\$ 3,902,202	\$ 6,200,900	\$ 6,492,229
Inventory write-downs (Gain on reversal)	<u>19,016</u>	<u>-</u>	<u>36,098</u>	<u>-</u>
	<u>\$ 3,970,102</u>	<u>\$ 3,902,202</u>	<u>\$ 6,236,998</u>	<u>\$ 6,492,229</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Proportion of Ownership (%)			Remark
		June 30, 2023	December 31, 2022	June 30, 2022	
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Spring Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Quang Viet (Tien Giang) Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Q.V.S. Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Q Gear Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Top One Down & Feather Co., Ltd.	95.68	95.68	95.68	
Quang Viet Enterprise Co., Ltd.	Biancospino S.R.L.	51.00	51.00	51.00	6)
Quang Viet Enterprise Co., Ltd.	Atlanta Garment Manufacturing Company LLC	60.00	60.00	60.00	6)
Quang Viet Enterprise Co., Ltd.	King Hamm Industrial Co., Ltd.	45.65	47.46	42.00	1)
Quang Viet Enterprise Co., Ltd.	W&D Apparel (Jordan) Corp.	65.00	65.00	65.00	6)
Quang Viet Enterprise Co., Ltd.	Q.V.P. Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Sidney Apparels LLC	100.00	100.00	100.00	6)
Quang Viet Enterprise Co., Ltd.	Golden Style Apparels LLC	100.00	100.00	-	2)
Spring Co., Ltd.	Jiaxing Quang Viet Garment Co., Ltd.	100.00	100.00	100.00	
Q.V.S. Limited	Top One Apparel Shu Yang Co., Ltd.	100.00	100.00	100.00	
Top One Apparel Shu Yang Co., Ltd.	Zhejiang Shang Hong Garment Co., Ltd.	100.00	100.00	100.00	3)
Top One Down & Feather Co., Ltd.	T.O.D. Limited	100.00	100.00	100.00	
T.O.D. Limited	Top One Down & Feather Shu Yang Co., Ltd.	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	King Hung Garments Industrial Co., Ltd.	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	Kingsville Garment Industry	100.00	100.00	-	4)
Q.V.P. Limited	Principle & Will Co., Ltd.	50.00	50.00	50.00	
Principle & Will Co., Ltd.	Joykey Industrial Limited	100.00	100.00	100.00	
Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	100.00	100.00	100.00	
Joykey Industrial Limited	Principle & Will Biotech (Xiantao) Co., Ltd.	29.27	100.00	100.00	5)
Joykey Industrial Limited	Joykey Industrial (Pinghu) Limited	100.00	100.00	100.00	
Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	70.73%	-	-	5)

- 1) The Company invested in King Hamm Industrial Co., Ltd. on May 16, 2023 by cash in the amount of \$137,488 thousand for 4,166,310 newly issued common shares. The Company decreased its continuing interest to 45.65% in King Hamm Industrial Co., Ltd. after the subscription, and the remaining 54.35% interest is dispersed and held by other shareholders. Considering the Group's absolute size of holding, and the relative size of and dispersion of the shareholdings owned by the other shareholders, the directors of the Company concluded that the Group has the practical ability to direct the relevant activities of King Hamm Industrial Co., Ltd. and therefore, the Group has control over King Hamm Industrial Co., Ltd. and deems it a subsidiary.
- 2) The Company established Golden Style Apparels LLC on November 4, 2022 by cash in the amount of US\$71 thousand.
- 3) Top One Apparel Shu Yang Co., Ltd. established Zhejiang Shang Hong Garment Co., Ltd. on January 28, 2022 by cash in the amount of RMB10,000 thousand.
- 4) King Hamm Industrial Co., Ltd. established Kingsville Garment Industry on December 1, 2022 by cash in the amount of US\$71 thousand.

- 5) Principle & Will Biotech (Pinghu) Co., Ltd. invested in Principle & Will Biotech (Xiantao) Co., Ltd. on June 1, 2023 by cash in the amount of RMB30,000 thousand. Principle & Will Biotech (Pinghu) Co., Ltd holds a 70.73% interest in Principle & Will Biotech (Xiantao) Co., Ltd. after the subscription. Joykey Industrial Limited decreased its interest in Principle & Will Biotech (Xiantao) Co., Ltd. to 29.27%
- 6) The financial statements for the six months ended June 30, 2023 and 2022 were not reviewed by independent auditors, however, management believes that there is no significant difference if the financial statements were reviewed by independent auditors.
- 7) Refer to Table 8 and Table 9 for information relating to the nature of activities of subsidiaries.
- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		December 31,		
		June 30, 2023	2022	June 30, 2022
King Hamm Industrial Co., Ltd. and subsidiaries	Taiwan	54.35%	52.54%	58.00%
Principle & Will Co., Ltd. and subsidiaries	Mainland China	50.00%	50.00%	50.00%

See Tables 8 and 9 for the information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30		June 30, 2023	December 31,	
	2023	2022	2023	2022		2022	June 30, 2022
King Hamm Industrial Co., Ltd. and subsidiaries	<u>\$ 26,934</u>	<u>\$ 50,330</u>	<u>\$ 66,757</u>	<u>\$102,622</u>	<u>\$928,832</u>	<u>\$697,983</u>	<u>\$554,804</u>
Principle & Will Co., Ltd. and subsidiaries	<u>\$ 1,084</u>	<u>\$ 8,154</u>	<u>\$ (1,433)</u>	<u>\$ 8,798</u>	<u>\$598,841</u>	<u>\$618,925</u>	<u>\$585,425</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

King Hamm Industrial Co., Ltd. and subsidiaries:

	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 1,879,344	\$ 1,641,481	\$ 1,384,032
Non-current assets	317,594	241,296	217,321
Current liabilities	(481,365)	(520,695)	(602,297)
Non-current liabilities	<u>(6,590)</u>	<u>(33,603)</u>	<u>(42,498)</u>
Equity	<u>\$ 1,708,983</u>	<u>\$ 1,328,479</u>	<u>\$ 956,558</u>

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Equity attributable to:			
Owners of King Hamm Industrial Co., Ltd.	\$ 780,151	\$ 630,496	\$ 401,754
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>928,832</u>	<u>697,983</u>	<u>554,804</u>
	<u>\$ 1,708,983</u>	<u>\$ 1,328,479</u>	<u>\$ 956,558</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u> <u>2022</u>
Revenue	<u>\$ 400,993</u>	<u>\$ 659,570</u>	<u>\$ 824,543</u> <u>\$ 1,347,794</u>
Profit for the year	\$ 48,412	\$ 86,776	\$ 124,208 \$ 176,935
Other comprehensive income (loss) for the year	<u>6,015</u>	<u>8,583</u>	<u>3,941</u> <u>15,606</u>
Total comprehensive income for the year	<u>\$ 54,427</u>	<u>\$ 95,359</u>	<u>\$ 128,149</u> <u>\$ 192,541</u>
Profit attributable to:			
Owners of King Hamm Industrial Co., Ltd.	\$ 21,478	\$ 36,446	\$ 57,451 \$ 74,313
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>26,934</u>	<u>50,330</u>	<u>66,757</u> <u>102,622</u>
	<u>\$ 48,412</u>	<u>\$ 86,776</u>	<u>\$ 124,208</u> <u>\$ 176,935</u>
Total comprehensive income attributable to:			
Owners of King Hamm Industrial Co., Ltd.	\$ 24,194	\$ 40,051	\$ 59,182 \$ 80,867
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>30,233</u>	<u>55,308</u>	<u>68,967</u> <u>111,674</u>
	<u>\$ 54,427</u>	<u>\$ 95,359</u>	<u>\$ 128,149</u> <u>\$ 192,541</u>
			(Concluded)
Principle & Will Co., Ltd. and subsidiaries:			
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 982,467	\$ 1,125,233	\$ 1,092,115
Non-current assets	445,149	415,422	372,670
Current liabilities	(204,496)	(300,633)	(292,177)
Non-current liabilities	<u>(25,438)</u>	<u>(2,172)</u>	<u>(1,758)</u>
Equity	<u>\$ 1,197,682</u>	<u>\$ 1,237,850</u>	<u>\$ 1,170,850</u>
			(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Equity attributable to:			
Owners of Principle & Will Co., Ltd.	\$ 598,841	\$ 618,925	\$ 585,425
Non-controlling interests of Principle & Will Co., Ltd.	<u>598,841</u>	<u>618,925</u>	<u>585,425</u>
	<u>\$ 1,197,682</u>	<u>\$ 1,237,850</u>	<u>\$ 1,170,850</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Revenue	<u>\$ 174,952</u>	<u>\$ 217,932</u>	<u>\$ 311,580</u>	<u>\$ 382,348</u>
Profit (loss) for the year	\$ 2,168	\$ 16,308	\$ (2,866)	\$ 17,596
Other comprehensive (loss) income for the year	<u>(32,400)</u>	<u>(37,606)</u>	<u>(22,994)</u>	<u>(34,736)</u>
Total comprehensive income (loss) for the year	<u>\$ (30,232)</u>	<u>\$ (21,298)</u>	<u>\$ (25,860)</u>	<u>\$ (17,140)</u>
Profit (loss) attributable to:				
Owners of Principle & Will Co., Ltd.	\$ 1,084	\$ 8,154	\$ (1,433)	\$ 8,798
Non-controlling interests of Principle & Will Co., Ltd.	<u>1,084</u>	<u>8,154</u>	<u>(1,433)</u>	<u>8,798</u>
	<u>\$ 2,168</u>	<u>\$ 16,308</u>	<u>\$ (2,866)</u>	<u>\$ 17,596</u>
Total comprehensive income (loss) attributable to:				
Owners of Principle & Will Co., Ltd.	\$ (15,116)	\$ (10,649)	\$ (12,930)	\$ (8,570)
Non-controlling interests of Principle & Will Co., Ltd.	<u>(15,116)</u>	<u>(10,649)</u>	<u>(12,930)</u>	<u>(8,570)</u>
	<u>\$ (30,232)</u>	<u>\$ (21,298)</u>	<u>\$ (25,860)</u>	<u>\$ (17,140)</u>

(Concluded)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2023	December 31, 2022	June 30, 2022
Material associate			
Anhui Xingxing Garment Co., Ltd.	<u>\$ 536,749</u>	<u>\$ 539,177</u>	<u>\$ 545,818</u>

Investments in Associate

	Proportion of Ownership and Voting Rights		
	June 30, 2023	December 31, 2022	June 30, 2022
Material associate			
Anhui Xingxing Garment Co., Ltd.	18.97%	18.97%	18.97%

Refer to Table 9 for the nature of activities, principal place of business and country of incorporation of the associate.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Building and Construction	Equipment	Transportation	Other Equipment	Leasehold Improvements	Construction Work in Progress	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 648,634	\$ 2,497,419	\$ 1,582,985	\$ 96,793	\$ 615,670	\$ 4,883	\$ 125,076	\$ 5,571,460
Additions	227,662	87,155	38,312	17,764	19,959	-	55,289	446,141
Disposals	-	-	(15,896)	(8,371)	(2,558)	-	-	(26,825)
Reclassification	35,410	77,249	3,605	(751)	135	-	(30,829)	84,819
Transfers to investment property	-	(210,051)	-	-	-	-	-	(210,051)
Effect of foreign currency exchange differences	3,038	7,351	18,161	505	1,001	66	(965)	29,157
Balance at June 30, 2023	<u>\$ 914,744</u>	<u>\$ 2,459,123</u>	<u>\$ 1,627,167</u>	<u>\$ 105,940</u>	<u>\$ 634,207</u>	<u>\$ 4,949</u>	<u>\$ 148,571</u>	<u>\$ 5,894,701</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 1,144,179	\$ 861,021	\$ 52,908	\$ 413,080	\$ 1,913	\$ -	\$ 2,473,101
Depreciation expenses	-	59,584	61,363	5,437	32,698	277	-	159,359
Disposals	-	-	(11,783)	(2,987)	(2,511)	-	-	(17,281)
Reclassification	-	1,989	(928)	(279)	(782)	-	-	-
Transfers to investment property	-	(105,976)	-	-	-	-	-	(105,976)
Effect of foreign currency exchange differences	-	(2,067)	9,470	234	1,080	30	-	8,747
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 1,097,709</u>	<u>\$ 919,143</u>	<u>\$ 55,313</u>	<u>\$ 443,565</u>	<u>\$ 2,220</u>	<u>\$ -</u>	<u>\$ 2,517,950</u>
Carrying amount at June 30, 2023	<u>\$ 914,744</u>	<u>\$ 1,361,414</u>	<u>\$ 708,024</u>	<u>\$ 50,627</u>	<u>\$ 190,642</u>	<u>\$ 2,729</u>	<u>\$ 148,571</u>	<u>\$ 3,376,751</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 648,634</u>	<u>\$ 1,353,240</u>	<u>\$ 721,964</u>	<u>\$ 43,885</u>	<u>\$ 202,590</u>	<u>\$ 2,970</u>	<u>\$ 125,076</u>	<u>\$ 3,098,359</u>
<u>Cost</u>								
Balance at January 1, 2022	\$ 640,968	\$ 2,354,695	\$ 1,347,891	\$ 89,881	\$ 537,817	\$ 4,418	\$ 87,837	\$ 5,063,507
Additions	-	479	74,803	2,756	24,889	-	11,821	114,748
Disposals	-	(2,360)	(29,566)	(2,876)	(1,962)	-	-	(36,764)
Reclassification	-	52,111	7,997	-	476	-	(46,074)	14,510
Effect of foreign currency exchange differences	4,737	75,721	71,685	2,720	22,255	313	3,435	180,866
Balance at June 30, 2022	<u>\$ 645,705</u>	<u>\$ 2,480,646</u>	<u>\$ 1,472,810</u>	<u>\$ 92,481</u>	<u>\$ 583,475</u>	<u>\$ 4,731</u>	<u>\$ 57,019</u>	<u>\$ 5,336,867</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	\$ -	\$ 996,274	\$ 743,692	\$ 42,635	\$ 341,521	\$ 1,224	\$ -	\$ 2,125,346
Depreciation expenses	-	54,544	52,735	5,970	28,783	263	-	142,295
Disposals	-	(1,401)	(19,887)	(2,721)	(1,622)	-	-	(25,631)
Effect of foreign currency exchange differences	-	31,537	35,753	1,347	14,107	97	-	82,841
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ 1,080,954</u>	<u>\$ 812,293</u>	<u>\$ 47,231</u>	<u>\$ 382,789</u>	<u>\$ 1,584</u>	<u>\$ -</u>	<u>\$ 2,324,851</u>
Carrying amount at June 30, 2022	<u>\$ 645,705</u>	<u>\$ 1,399,692</u>	<u>\$ 660,517</u>	<u>\$ 45,250</u>	<u>\$ 200,686</u>	<u>\$ 3,147</u>	<u>\$ 57,019</u>	<u>\$ 3,012,016</u>

No impairment assessment was performed for the six months ended June 30, 2023 and 2022.

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

Buildings and construction	
Main buildings	51 years
Renovations	5-25 years
Machinery	3-11 years
Transportation equipment	4-10 years
Other equipment	3-15 years
Leasehold improvements	2-10 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023		December 31, 2022		June 30, 2022
<u>Carrying amount</u>					
Land	\$	367,422	\$	353,077	\$ 356,003
Buildings		209,047		267,053	235,121
Other equipment		<u>1,772</u>		<u>1,947</u>	<u>-</u>
	\$	<u>578,241</u>	\$	<u>622,077</u>	<u>\$ 591,124</u>
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>		
	2023	2022	2023	2022	
Additions to right-of-use assets			\$	786	\$ 156,245
Depreciation charge for right-of-use assets					
Land	\$	3,787	\$	3,177	\$ 6,282
Buildings		9,471		9,428	19,016
Other equipment		<u>87</u>		<u>-</u>	<u>-</u>
	\$	<u>13,345</u>	\$	<u>12,605</u>	<u>\$ 25,298</u>

Except for the additions and depreciation recognized as described above, the Group had no material sublease transactions and impairment losses for the six months ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023		December 31, 2022		June 30, 2022
<u>Carrying amount</u>					
Current	\$	<u>27,993</u>	\$	<u>35,579</u>	<u>\$ 30,920</u>
Non-current	\$	<u>191,902</u>	\$	<u>204,007</u>	<u>\$ 206,683</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2023		December 31, 2022		June 30, 2022
Land		6.50%		6.50%	6.25%
Buildings		2.00%~9.57%		2.00%~9.57%	3.70%~9.57%
Other equipment		2.00%		2.00%	-

c. Material lease-in activities and terms

The Group leases certain land and buildings in mainland China, Vietnam, and Jordan for the use of plants and offices with lease terms of 10 to 50 years. The Group also leases certain land and buildings in Vietnam and Jordan for the use of plant, warehouses and dormitories with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 569	\$ 597	\$ 1,078	\$ 1,362
Expenses relating to low-value asset leases	\$ 273	\$ 392	\$ 473	\$ 532
Total cash outflow for leases	\$ (9,723)	\$ (9,423)	\$ (30,429)	\$ (30,225)

The Group's leases of certain office equipment qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 153,051	\$ 13,050	\$ 166,101
Transferred from property, plant and equipment and right-of-use assets	210,051	20,019	230,070
Effects of foreign currency exchange differences	<u>(8,318)</u>	<u>(758)</u>	<u>(9,076)</u>
Balance at June 30, 2023	\$ <u>354,784</u>	\$ <u>32,311</u>	\$ <u>387,095</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ 62,877	\$ 1,090	\$ 63,967
Depreciation expenses	3,983	235	4,218
Transferred from property, plant and equipment and right-of-use assets	105,976	1,822	107,798
Effects of foreign currency exchange differences	<u>(3,367)</u>	<u>14</u>	<u>(3,353)</u>
Balance at June 30, 2023	\$ <u>169,469</u>	\$ <u>3,161</u>	\$ <u>172,630</u>
Carrying amount at June 30, 2023	\$ <u>185,315</u>	\$ <u>29,150</u>	\$ <u>214,465</u>
Carrying amount at December 31, 2022 and January 1, 2023	\$ <u>90,174</u>	\$ <u>11,960</u>	\$ <u>102,134</u>

(Continued)

Cost

Balance at January 1, 2022	\$ 150,692	\$ 12,849	\$ 163,541
Effects of foreign currency exchange differences	<u>3,013</u>	<u>257</u>	<u>3,270</u>
Balance at June 30, 2022	<u>\$ 153,705</u>	<u>\$ 13,106</u>	<u>\$ 166,811</u>

Accumulated depreciation

Balance at January 1, 2022	\$ 55,769	\$ 704	\$ 56,473
Depreciation expenses	2,849	164	3,013
Effects of foreign currency exchange differences	<u>1,302</u>	<u>38</u>	<u>1,340</u>
Balance at June 30, 2022	<u>\$ 59,920</u>	<u>\$ 906</u>	<u>\$ 60,826</u>
Carrying amount at June 30, 2022	<u>\$ 93,785</u>	<u>\$ 12,200</u>	<u>\$ 105,985</u> (Concluded)

Right-of-use assets included in investment properties are land located in mainland China and subleased under operating leases to several companies.

The investment properties are leased out for 3 to 15 years, and the lessees have renewal options to lease the investment properties at the expiry of the lease periods.

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

Main buildings	50 years
Right-of-use assets	30 years

The determination of fair value was not performed by independent qualified professional valuers. The management of the Company used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value as appraised was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value	<u>\$ 238,474</u>	<u>\$ 110,346</u>	<u>\$ 113,064</u>

18. OTHER INTANGIBLE ASSETS

	Customer Relationships	Value of QIZ Tax Free Trade	Computer Software	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 237,115	\$ 126,503	\$ 57,289	\$ 420,907
Additions	-	-	1,930	1,930
Disposals	-	-	(7,359)	(7,359)
Effect of foreign currency exchange differences	<u>7,154</u>	<u>1,771</u>	<u>(75)</u>	<u>8,850</u>
Balance at June 30, 2023	<u>\$ 244,269</u>	<u>\$ 128,274</u>	<u>\$ 51,785</u>	<u>\$ 424,328</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ -	\$ -	\$ 37,222	\$ 37,222
Amortization expenses	-	-	3,680	3,680
Disposals	-	-	(7,359)	(7,359)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>115</u>	<u>115</u>
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,658</u>	<u>\$ 33,658</u>
Carrying amount at June 30, 2023	<u>\$ 244,269</u>	<u>\$ 128,274</u>	<u>\$ 18,127</u>	<u>\$ 390,670</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 237,115</u>	<u>\$ 126,503</u>	<u>\$ 20,067</u>	<u>\$ 383,685</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 226,937	\$ 114,021	\$ 49,922	\$ 390,880
Additions	-	-	993	993
Disposals	-	-	(1,401)	(1,401)
Effect of foreign currency exchange differences	<u>(1,811)</u>	<u>8,404</u>	<u>722</u>	<u>7,315</u>
Balance at June 30, 2022	<u>\$ 225,126</u>	<u>\$ 122,425</u>	<u>\$ 50,236</u>	<u>\$ 397,787</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 31,185	\$ 31,185
Amortization expenses	-	-	3,188	3,188
Disposals	-	-	(1,401)	(1,401)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>402</u>	<u>402</u>
Balance at June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,374</u>	<u>\$ 33,374</u>
Carrying amount at June 30, 2022	<u>\$ 225,126</u>	<u>\$ 122,425</u>	<u>\$ 16,862</u>	<u>\$ 364,413</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software

1-5 years

Customer Relationships

The value of the customer relationships arising from the acquisition of Biancospino S.R.L. was mainly determined through the difference between the acquisition costs and the fair value of the net identifiable assets.

The Group also acquired the purchase price allocation report for valuing intangible assets and deemed the useful life of the customer relationships to be indefinite.

Value of QIZ Tax Free Trade

The value of QIZ tax free trade arising from the acquisition of Atlanta Garment Manufacturing LLC was mainly generated from the expected benefits of the free trade agreement within the Qualified Industrial Zone (QIZ).

19. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Prepayments			
Prepayments for suppliers	\$ 31,979	\$ 48,681	\$ 106,919
Overpaid sales tax	118,516	71,390	126,031
Prepaid expenses	<u>85,146</u>	<u>84,100</u>	<u>106,317</u>
	<u>\$ 235,641</u>	<u>\$ 204,171</u>	<u>\$ 339,267</u>
Other receivables			
Sales tax receivable	\$ 4,419	\$ 6,926	\$ 13,339
Interest receivable	26,130	19,409	15,484
Others (a)	<u>17,611</u>	<u>25,110</u>	<u>26,312</u>
	<u>\$ 48,160</u>	<u>\$ 51,445</u>	<u>\$ 54,955</u>
<u>Non-current</u>			
Other assets			
Prepayments for land (b)	\$ 37,655	\$ 81,905	\$ -
Prepayments for right-of-use assets (c)	-	-	25,263
Others	<u>59</u>	<u>62</u>	<u>-</u>
	<u>\$ 37,714</u>	<u>\$ 81,967</u>	<u>\$ 25,263</u>

- a. The Group recognized expected credit loss in the total amount of \$88 thousand on other receivables for the six months ended June 30, 2023
- b. Prepayments for land are land located in Taiwan and Jordan, in which the Group expects to acquire and build plants to meet the Group's long-term development needs. As the rights in Taiwan have not been transferred to the Group, they are classified as other assets as of June 30, 2023.
- c. Prepayments for right-of-use assets are land located in the People's Republic of China, in which the Group expects to acquire and build plants to meet the Group's long-term development needs. As the rights have not been transferred to the Group, they are classified as other assets as of June 30, 2022.

20. BORROWINGS

a. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Unsecured borrowings</u>			
Operating loans	\$ 1,601,075	\$ 526,107	\$ 2,600,259
Letter of credit payables	<u>1,710,271</u>	<u>741,817</u>	<u>1,793,748</u>
	<u>\$ 3,311,346</u>	<u>\$ 1,267,924</u>	<u>\$ 4,394,007</u>
Range of interest rates	1.60%~6.90%	1.09%~5.63%	0.56%~4.13%

b. Long-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Unsecured borrowings</u>			
Bank loans	\$ 446,500	\$ 516,929	\$ 178,115
Less: Current portion	<u>(39,000)</u>	<u>(59,372)</u>	<u>(39,872)</u>
Long-term borrowings	<u>\$ 407,500</u>	<u>\$ 457,557</u>	<u>\$ 138,243</u>

Unsecured Borrowings	Main terms	June 30, 2023	December 31, 2022	June 30, 2022
Export-Import Bank of the Republic of China	Long-term borrowings; the loan limit is US\$4,000 thousand, the interest is paid every three months at the interest rate which is the LIBOR rate plus 0.38% (adjusted every six months; 1.6421% this period), and the principal is paid every six months from February 2023	\$ 97,500	\$ 117,000	\$ 117,000
Export-Import Bank of the Republic of China	Long-term borrowings; the loan limit is US\$11,800 thousand, the interest is paid every three months at the interest rate which is the LIBOR rate plus 0.38% (adjusted every three months; 1.6339% this period), and the principal is paid every six months from January 2025	\$ 349,000	\$ 349,000	\$ -

(Continued)

Unsecured Borrowings	Main terms	June 30, 2023	December 31, 2022	June 30, 2022
Export-Import Bank of the Republic of China	Long-term borrowings, the loan limit is \$72,000 thousand, the interest is paid every three months at the interest rate of TAIBOR rate plus 0.18% (adjusted every three months, 1.8122% this period), and the principal is paid every six months from May 2022	-	<u>50,929</u>	<u>61,115</u>
		<u>\$ 446,500</u>	<u>\$ 516,929</u>	<u>\$ 178,115</u> (Concluded)

21. BONDS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured domestic bonds	\$ 1,432,704	\$ 1,418,366	\$ 1,493,207
Less: Current portion	<u>-</u>	<u>-</u>	<u>(1,493,207)</u>
	<u>\$ 1,432,704</u>	<u>\$ 1,418,366</u>	<u>\$ -</u>

a. 1st domestic unsecured convertible bonds

In October 2019, the Company issued 15 thousand, 3 years and an interest rate of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$1,500,000 thousand.

The major terms of redemption and conversion of unsecured domestic convertible bonds are as follows:

- 1) From 3 months after the date of issuance to 40 days before the maturity date, which is from January 30, 2020 to September 19, 2022, the Company has the right to redeem its bonds from bondholders at the contract price under specific conditions.
- 2) From 3 months after the date of issuance to the maturity date, which is from January 30, 2020 to October 29, 2022, each bondholder has the right to convert their bonds into ordinary shares at the conversion price of NT\$143.5 per share. If the bonds have not been converted, they will be redeemed at contract price at the maturity date.
- 3) The Company will repay the bonds at face value by cash at the maturity date.

The effective interest rate of the liability component was 1.37% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,478 thousand)	\$ 1,509,522
Conversion value (less transaction costs allocated to the equity component of \$204 thousand)	(70,446)
Redemption value	<u>450</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,274 thousand)	1,439,526
Interest charged at an effective interest rate of 1.37%	<u>43,577</u>
	(Continued)

Liability component at December 31, 2021	1,483,103
Interest charged at an effective interest rate of 1.37%	<u>10,104</u>
Liability component at June 30, 2022	<u>\$ 1,493,207</u>
	(Concluded)

b. 2nd domestic unsecured convertible bonds

In October 2022, the Company issued 15 thousand, 3 years and an interest rate of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$1,500,000 thousand.

The major terms of redemption and conversion of unsecured domestic convertible bonds are as follows:

- 1) From 3 months after the date of issuance to 40 days before the maturity date, which is from January 4, 2023 to August 25, 2025, the Company has the right to redeem its bonds from bondholders at the contract price under specific conditions.
- 2) From 3 months after the date of issuance to the maturity date, which is from January 4, 2023 to October 3, 2025, each bondholder has the right to convert their bonds into ordinary shares at the conversion price of NT\$138 per share. If the bonds have not been converted, they will be redeemed at contract price at the maturity date.
- 3) The Company will repay the bonds at face value by cash at the maturity date.

The effective interest rate of the liability component was 2.03% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,472 thousand)	\$ 1,519,159
Conversion value (less transaction costs allocated to the equity component of \$312 thousand)	(108,469)
Redemption value	<u>600</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,160 thousand)	1,411,290
Interest charged at an effective interest rate of 2.03%	<u>7,076</u>
Liability component at December 31, 2022	1,418,366
Interest charged at an effective interest rate of 2.03%	<u>14,338</u>
Liability component at June 30, 2023	<u>\$ 1,432,704</u>

22. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes payable</u>			
Operating			
To unrelated parties	<u>\$ 18,033</u>	<u>\$ 22,847</u>	<u>\$ 13,553</u>
<u>Trade payables</u>			
Operating			
To unrelated parties	\$ 813,467	\$ 806,195	\$ 1,235,078
To related parties (Note 36)	<u>144,701</u>	<u>154,815</u>	<u>320,969</u>
	<u>\$ 958,168</u>	<u>\$ 961,010</u>	<u>\$ 1,556,047</u>

The Group's credit terms with suppliers are net 30-90 days.

23. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 433,406	\$ 531,185	\$ 429,397
Payables for labor insurance	111,957	102,827	99,984
Payables for processing fees	187,088	64,143	252,827
Payables for purchases of equipment	3,799	7,732	18,992
Payables for employees' compensation and remuneration of directors	34,531	34,670	23,831
Payables for annual leave	3,803	2,455	1,660
Payables for sales tax	17,144	5,694	16,655
Payables for professional fees	5,717	5,028	5,700
Payables for product insurance	28,959	28,266	28,024
Others	<u>286,419</u>	<u>322,281</u>	<u>305,765</u>
	<u>\$ 1,112,823</u>	<u>\$ 1,104,281</u>	<u>\$ 1,182,835</u>
<u>Non-current</u>			
Other payables			
Government grants (Note 30)	<u>\$ 17,238</u>	<u>\$ -</u>	<u>\$ -</u>

24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and six months ended June 30, 2023 and 2022 were calculated as \$0 thousand, \$33 thousand, \$1 thousand and \$66 thousand respectively by the actuarially determined pension cost discount rate as of December 31, 2022 and 2021.

25. EQUITY

a. Share capital

1) Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
Shares authorized (in thousands of shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Shares authorized	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Shares issued and fully paid (in thousands of shares)	<u>103,425</u>	<u>103,381</u>	<u>103,375</u>
Shares issued	<u>\$ 1,034,255</u>	<u>\$ 1,033,809</u>	<u>\$ 1,033,753</u>

A holder of issued common shares with a par value of NT\$10 per share is entitled to vote and to receive dividends.

2) Bond conversion entitlement certificates

	June 30, 2023	December 31, 2022	June 30, 2022
Certificates converted but for which the change of registration has not yet been settled (in thousands of shares)	-	45	-
Certificates converted but for which the change of registration has not yet been settled	\$ -	\$ 446	\$ -

The change of registration will be settled based on the subscription base date.

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 2,868,317	\$ 2,868,317	\$ 2,868,317
Conversion of bonds	7,036	7,036	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	14,381	16,424	-
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	1,690	557	557
Share of changes in capital surplus of associates	12,598	12,598	12,598
Forfeited share warrants	70,107	70,107	-
<u>May not be used for any purpose</u>			
Share warrants	108,469	108,469	70,446
	<u>\$ 3,082,598</u>	<u>\$ 3,083,508</u>	<u>\$ 2,951,918</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's articles of incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes,

offsetting losses of previous years, setting aside a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to "Employee benefits expense" in Note 27 (g).

According to the Company's Articles, the dividends policy should align with current and future development plans, taking the investment environment, capital needs and domestic and international competition into consideration, while sustaining shareholders' interests. Distribution of dividends and bonuses to shareholders must not be less than 40% of distributable earnings, except when distributable earnings is less than 5% of shares issued and fully paid, in which case no distribution shall occur. Distribution of dividends and bonuses to shareholders may be distributed by way of cash dividends or stock dividends, however, cash dividends shall not be less than 20% of total dividends distributed. The type of distribution may change according to circumstances of profitability and capital, and may be adjusted during the annual shareholders' meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 15, 2023 and on June 15, 2022 respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
Legal reserve	<u>\$ 117,731</u>	<u>\$ 61,374</u>
Special reserve	<u>\$(171,967)</u>	<u>\$ 60,829</u>
Cash dividends	<u>\$ 703,293</u>	<u>\$ 434,176</u>
Cash dividends per share (NT\$)	\$ 6.80	\$ 4.20

d. Non-controlling interests

	For the Six Months Ended	
	June 30	
	2023	2022
Balance at January 1	\$ 1,829,603	\$ 1,500,618
Cash dividends received from subsidiaries	(103,440)	(17,751)
Attributable to non-controlling interests		
Share in profit for the year	110,826	119,757
Exchange differences on the translation of the financial statements of foreign operations	3,756	45,788
Related income tax	(403)	(2,354)
Capital increase of subsidiaries	217,655	-
Share-based payment	<u>1,268</u>	<u>-</u>
Balance at June 30	<u>\$ 2,059,274</u>	<u>\$ 1,646,058</u>

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$4,753,159</u>	<u>\$4,824,049</u>	<u>\$7,410,343</u>	<u>\$7,830,598</u>

a. Contract information

Revenue from the sale of goods

The Group generates revenue from the sale of garments, feather and down and medical products. The sale of goods is recognized as revenue when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

Refer to Note 42 for information about the disaggregation of revenue.

b. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Trade receivables (Note 11)	<u>\$3,187,397</u>	<u>\$1,815,745</u>	<u>\$2,934,527</u>	<u>\$2,034,536</u>
Contract liabilities-current				
Sale of goods	<u>\$ 87,690</u>	<u>\$ 85,726</u>	<u>\$ 81,669</u>	<u>\$ 171,616</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations; no other significant changes have occurred.

27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	\$ 16,890	\$ 7,701	\$ 39,136	\$ 16,028
Financial assets at amortized cost	<u>18,892</u>	<u>3,998</u>	<u>32,099</u>	<u>8,440</u>
	<u>\$ 35,782</u>	<u>\$ 11,699</u>	<u>\$ 71,235</u>	<u>\$ 24,468</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Rental income				
Other operating leases (Note 36)	\$ 3,390	\$ 3,071	\$ 5,540	\$ 7,522
Dividends	239	212	349	212
Government grant income (Note 30)	2,294	6,576	8,429	11,513
Others	<u>2,311</u>	<u>3,222</u>	<u>5,944</u>	<u>9,112</u>
	<u>\$ 8,234</u>	<u>\$ 13,081</u>	<u>\$ 20,262</u>	<u>\$ 28,359</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Gain (loss) on financial assets and liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 3,839	\$ (6,759)	\$ 11,557	\$ (986)
Loss on disposal of property, plant and equipment	(333)	(3,797)	(627)	(4,586)
Net foreign exchange gains	57,793	20,661	23,755	2,703
Gain on lease modifications	-	1,353	-	8,716
Return of government grant income (Note 30)	(28,273)	-	(28,273)	-
Others	<u>(618)</u>	<u>2,525</u>	<u>(5,002)</u>	<u>(1,006)</u>
	<u>\$ 32,408</u>	<u>\$ 13,983</u>	<u>\$ 1,410</u>	<u>\$ 4,841</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Interest on bank loans	\$ (33,706)	\$ (8,728)	\$ (48,745)	\$ (13,839)
Interest on lease liabilities	(3,111)	(3,480)	(6,287)	(6,821)
Interest on convertible bonds	<u>(7,226)</u>	<u>(5,089)</u>	<u>(14,338)</u>	<u>(10,104)</u>
	<u>\$ (44,043)</u>	<u>\$ (17,297)</u>	<u>\$ (69,370)</u>	<u>\$ (30,764)</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	\$ 72,717	\$ 65,311	\$ 142,950	\$ 129,072
Operating expenses	<u>23,916</u>	<u>22,153</u>	<u>47,319</u>	<u>41,534</u>
	<u>\$ 96,633</u>	<u>\$ 87,464</u>	<u>\$ 190,269</u>	<u>\$ 170,606</u>
An analysis of amortization by function				
Operating costs	\$ 33	\$ 22	\$ 65	\$ 50
Operating expenses	<u>1,798</u>	<u>1,443</u>	<u>3,615</u>	<u>3,138</u>
	<u>\$ 1,831</u>	<u>\$ 1,465</u>	<u>\$ 3,680</u>	<u>\$ 3,188</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term benefits	\$ 1,373,030	\$ 1,273,389	\$ 2,488,584	\$ 2,379,387
Post-employment benefits				
Defined contribution plans	3,487	3,986	6,889	6,213
Defined benefit plans (Note 24)	<u>-</u>	<u>33</u>	<u>1</u>	<u>66</u>
Total employee benefits expense	<u>\$ 1,376,517</u>	<u>\$ 1,277,408</u>	<u>\$ 2,495,474</u>	<u>\$ 2,385,666</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,069,593	\$ 1,034,249	\$ 2,014,648	\$ 1,926,529
Operating expenses	<u>306,924</u>	<u>243,159</u>	<u>480,826</u>	<u>459,137</u>
	<u>\$ 1,376,517</u>	<u>\$ 1,277,408</u>	<u>\$ 2,495,474</u>	<u>\$ 2,385,666</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 8% for employees, and no less than 2% for directors, of net profit before income tax, compensation of employees, and remuneration of directors. The accrued compensation of employees and remuneration of directors for the three months and six months ended June 30, 2023 and 2022 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2023	2022
Compensation of employees	1.04%	1.04%
Remuneration of directors	0.97%	0.67%

Amount

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
	Cash	Cash	Cash	Cash
Compensation of employees	<u>\$ 3,057</u>	<u>\$ 4,366</u>	<u>\$ 3,057</u>	<u>\$ 4,567</u>
Remuneration of directors	<u>\$ 2,940</u>	<u>\$ 2,553</u>	<u>\$ 2,940</u>	<u>\$ 2,940</u>

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

The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 2, 2023 and March 8, 2022, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	<u>\$ 15,055</u>	<u>\$ 7,792</u>
Remuneration of directors	<u>\$ 5,880</u>	<u>\$ 4,116</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Foreign exchange gains	\$ 76,387	\$ 46,094	\$ 123,481	\$ 75,989
Foreign exchange losses	<u>(18,594)</u>	<u>(25,433)</u>	<u>(99,726)</u>	<u>(73,286)</u>
Net gains	<u>\$ 57,793</u>	<u>\$ 20,661</u>	<u>\$ 23,755</u>	<u>\$ 2,703</u>

28. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current year	\$ 101,280	\$ 70,889	\$ 135,210	\$ 109,978
Income tax on unappropriated earnings	37,685	4,515	37,685	4,515
Adjustments for prior years	<u>(5,987)</u>	<u>42,444</u>	<u>(1,391)</u>	<u>65,919</u>
	132,978	117,848	171,504	180,412
Current tax				
In respect of the current year	<u>(3,158)</u>	<u>47,205</u>	<u>(33,786)</u>	<u>16,854</u>
Income tax on unappropriated earnings	<u>\$ 129,820</u>	<u>\$ 165,053</u>	<u>\$ 137,718</u>	<u>\$ 197,266</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	<u>\$ 4,149</u>	<u>\$ (1,816)</u>	<u>\$ 173</u>	<u>\$ (40,308)</u>

c. Income tax assessments

Income tax returns of the Company has been assessed by the local tax authorities through 2020. Income tax returns of Top One Down & Feather Co., Ltd. and King Hamm Industrial Co., Ltd. have been assessed by the local tax authorities through 2021, while the 2020 income tax returns of King Hamm Industrial Co., Ltd. have not yet been assessed by the local tax authorities.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Basic earnings per share	<u>\$ 2.48</u>	<u>\$ 3.23</u>	<u>\$ 2.03</u>	<u>\$ 3.33</u>
Diluted earnings per share	<u>\$ 2.29</u>	<u>\$ 2.98</u>	<u>\$ 1.94</u>	<u>\$ 3.10</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Profit for the year attributable to owners of the Company	\$ 255,617	\$ 334,094	\$ 209,539	\$ 344,122
Effect of potentially dilutive ordinary shares				
Interest on convertible bonds (after tax)	<u>5,781</u>	<u>4,071</u>	<u>11,471</u>	<u>8,083</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 261,398</u>	<u>\$ 338,165</u>	<u>\$ 221,010</u>	<u>\$ 352,205</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	103,425	103,375	103,425	103,375
Effect of potentially dilutive				
Convertible bonds	10,870	10,060	10,689	10,060
Compensation of employees	<u>25</u>	<u>42</u>	<u>66</u>	<u>67</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>114,320</u>	<u>113,477</u>	<u>114,180</u>	<u>113,502</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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.

30. GOVERNMENT GRANTS

The Group's subsidiaries in mainland China recognized grant income of \$2,294 thousand, \$6,576 thousand, \$8,429 thousand and \$11,513 thousand as other income from local governments during the three months and six months ended June 30, 2023 and 2022, respectively.

On April 7, 2023, the Group's subsidiary in mainland China obtained a local government grant of \$17,238 thousand for plant construction. As of June 30, 2023, the plant has not been completed, therefore the government grant is temporarily recognized as deferred revenue.

For the six months ended June 30, 2023, the Group's subsidiary located in Jordan recognized other losses of

	For the Six Months Ended June 30	
	2023	2022
Cash dividends paid by non-controlling interests		
Cash dividends paid	\$ 103,440	\$ 17,751
Add: Cash dividends payable, beginning of period	78,573	-
Less: Dividends payable, end of period	(164,340)	(17,751)
Foreign currency exchange differences	<u>(2,398)</u>	<u>-</u>
Dividends paid	<u>\$ 15,275</u>	<u>\$ -</u>
Cash dividends paid		
Cash dividends paid	\$ 703,293	\$ 434,176
Less: Dividends payable, end of year	<u>(703,293)</u>	<u>(434,176)</u>
Dividends paid	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ 1,267,924	\$ 2,043,422	\$ -	\$ -	\$ 3,311,346
Long-term borrowings	516,929	(70,429)	-	-	446,500
Guarantee deposits received	2,163	5,799	-	-	7,962
Bonds payable	1,418,366	-	-	14,338	1,432,704
Lease liabilities	<u>239,586</u>	<u>(22,591)</u>	<u>786</u>	<u>2,114</u>	<u>219,895</u>
	<u>\$ 3,444,968</u>	<u>\$ 1,956,201</u>	<u>\$ 786</u>	<u>\$ 16,452</u>	<u>\$ 5,418,407</u>

For the six months ended June 30, 2022

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ 1,926,201	\$ 2,467,806	\$ -	\$ -	\$ 4,394,007
Long-term borrowings	188,300	(10,185)	-	-	178,115
Guarantee deposits received	990	(113)	-	-	877
Bonds payable	1,483,103	-	-	10,104	1,493,207
Lease liabilities	<u>92,659</u>	<u>(21,510)</u>	<u>156,245</u>	<u>10,209</u>	<u>237,603</u>
	<u>\$ 3,691,253</u>	<u>\$ 2,435,998</u>	<u>\$ 156,245</u>	<u>\$ 20,313</u>	<u>\$ 6,303,809</u>

33. INTERPRETATION OF SEASONAL OR PERIODICAL INTERIM OPERATIONS

The Group is mainly engaged in the high-end down jackets for world-renowned brands. The high-end down jacket industry has a highly seasonal characteristic, with peak sales period in autumn and winter.

The Group starts to prepare materials at the end of each year, and starts production from the beginning of the next year. The mainly delivery with large quantities period starts from the middle of the year until October.

According to historical experience, the peak sales period of the Group is between June and September each

year, and the second peak period is in May and October. Therefore, the inventory level of the Group from April to July is relatively higher than that of other months.

Usually, the operating revenue in the first quarter of each year is the lowest compared to the other three quarters. The peak season for shipments begins at the end of the second quarter and continues until the beginning of the fourth quarter, therefore, the single-quarter operating revenue in the third quarter is the highest.

34. CAPITAL MANAGEMENT

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

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

The Group is not subject to any externally imposed capital requirements.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amount of the Group's financial instruments not measured at fair value are close to the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL -				
current				
Redemption value of bonds	\$ -	\$ 150	\$ -	\$ 150
Domestic listed shares	65,724	-	-	65,724
Domestic bonds	<u>8,424</u>	<u>-</u>	<u>-</u>	<u>8,424</u>
	<u>\$ 74,148</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 74,298</u>
Financial assets at FVTOCI -				
non-current				
Investments in equity				
instruments				
Domestic listed shares and emerging market shares	\$ 74,393	\$ -	\$ -	\$ 74,393
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,952</u>	<u>5,952</u>
	<u>\$ 74,393</u>	<u>\$ -</u>	<u>\$ 5,952</u>	<u>\$ 80,345</u>

(Continued)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Redemption value of bonds	\$ -	\$ 450	\$ -	\$ 450
Domestic listed shares	40,320	-	-	40,320
Domestic bonds	<u>2,889</u>	<u>-</u>	<u>-</u>	<u>2,889</u>
	<u>\$ 43,209</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 43,659</u>
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 71,676	\$ -	\$ -	\$ 71,676
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,952</u>	<u>5,952</u>
	<u>\$ 71,676</u>	<u>\$ -</u>	<u>\$ 5,952</u>	<u>\$ 77,628</u>

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Domestic listed shares	\$ 24,148	\$ -	\$ -	\$ 24,148
Domestic corporate bonds	<u>11,230</u>	<u>-</u>	<u>-</u>	<u>11,230</u>
	<u>\$ 35,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,378</u>
Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 72,219	\$ -	\$ -	\$ 72,219
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>6,492</u>	<u>6,492</u>
	<u>\$ 72,219</u>	<u>\$ -</u>	<u>\$ 6,492</u>	<u>\$ 78,711</u>

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Investments in domestic unlisted shares are the only financial asset that the Group subsequently measures using Level 3 fair value. The profit or loss of these equity investments was not recognized in the consolidated statements of comprehensive income for the six months ended June 30, 2023 and 2022.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic and foreign unlisted shares are determined using the market approach with reference to the types of industry, similar companies in the same industry, and the operating conditions of the Company.

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Mandatorily classified as at FVTPL	\$ 74,298	\$ 43,659	\$ 35,378
Financial assets at amortized cost (1)	7,340,283	6,837,438	6,718,034
Financial assets at FVTOCI			
Investments in equity instruments	80,345	77,628	78,711
<u>Financial liabilities</u>			
Amortized cost (2)	8,268,363	5,539,263	9,487,929

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables and time deposits with original maturities of more than 3 months.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, notes payable, trade and other payables and bonds payable.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that 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 (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Company had foreign currency denominated 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 at the three months end of the period are set out in Note 40.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New

Taiwan dollar against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the USD. For a 1% weakening of the New Taiwan dollar against the USD, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	USD Impact	
	For the Six Months Ended	
	June 30	
	2023	2022
Profit or loss	\$ 31,486	\$ (8,814)

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash flow interest rate risk			
Financial assets	\$ 679,865	\$ 1,063,315	\$ 961,132
Financial liabilities	3,757,846	1,784,853	4,572,122

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year.

A 0.1% increase or decrease is 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 0.1% higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2023 and 2022 would have decreased by \$1,539 thousand and \$1,805 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% higher, pre-tax profit for the six months ended June 30, 2023 and 2022 would have increased by \$657 thousand and \$241 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income

for the six months ended June 30, 2023 and 2022 would have increased by \$803 thousand and \$787 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the three months end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group is mainly from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of dealing with creditworthy counterparties. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining 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 at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

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 June 30, 2023 and December 31 and June 30, 2022, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

June 30, 2023

	Less Than 3 Months	3 Months to 1 Year	1 Year+	Total
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 1,910,209	\$ 1,401,137	\$ -	\$ 3,311,346
Bonds payable	-	-	1,432,704	1,432,704
Current portion of long-term borrowings	19,500	19,500	-	39,000
Long-term borrowings	-	-	407,500	407,500
	<u>\$ 1,929,709</u>	<u>\$ 1,420,637</u>	<u>\$ 1,840,204</u>	<u>\$ 5,190,550</u>

December 31, 2022

	1-3 Months	3 Months to 1 Year	1 Year+	Total
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 396,371	\$ 871,553	\$ -	\$ 1,267,924
Bonds payable	-	-	1,418,366	1,418,366
Current portion of long-term borrowings	19,500	39,872	-	59,372
Long-term borrowings	<u>-</u>	<u>-</u>	<u>457,557</u>	<u>457,557</u>
	<u>\$ 415,871</u>	<u>\$ 911,425</u>	<u>\$ 1,875,923</u>	<u>\$ 3,203,219</u>

June 30, 2022

	Less Than 3 Months	3 Months to 1 Year	1 Year+	Total
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 1,909,962	\$ 2,484,045	\$ -	\$ 4,394,007
Bonds payable	-	1,493,207	-	1,493,207
Current portion of long-term borrowings	-	39,872	-	39,872
Long-term borrowings	<u>-</u>	<u>-</u>	<u>138,243</u>	<u>138,243</u>
	<u>\$ 1,909,962</u>	<u>\$ 4,017,124</u>	<u>\$ 138,243</u>	<u>\$ 6,065,329</u>

Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management believes that such bank loans will be repaid after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements.

b) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank overdraft facilities, reviewed annually			
Amount used	\$ 3,757,846	\$ 1,784,853	\$ 4,572,122
Amount unused	<u>7,276,738</u>	<u>8,221,100</u>	<u>5,566,544</u>
	<u>\$ 11,034,584</u>	<u>\$ 10,005,953</u>	<u>\$ 10,138,666</u>
Secured bank overdraft facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>188,133</u>	<u>184,260</u>	<u>178,320</u>
	<u>\$ 188,133</u>	<u>\$ 184,260</u>	<u>\$ 178,320</u>

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Formosa Taffeta Co., Ltd. (Group company)	Investor with significant influence - corporate director of the Company
Top One Investment Co., Ltd.	Other related party - corporate director of the Company
Cu Chi Investment, Ltd.	Related party in substance
Xin Xiang Investment, Ltd.	Related party in substance
Best One Investment Co., Ltd.	Related party in substance
Da Fang Investment Co., Ltd.	Related party in substance
Spring Printing (Pinghu) Co., Ltd.	Related party in substance
Spring Printing Co., Ltd. (Group company)	Related party in substance
Asia Healthcare (Dalian) Co., Ltd.	Related party in substance
Nanliu Enterprise (Pinghu) Co., Ltd.	Other related party - director of the subsidiary
I-Chun Chuang	Other related party - director of the subsidiary
Anhui Xingxing Garment Co., Ltd.	Associate

b. Sales of goods

Line Item	Related Party Category/Name	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
		2023	2022	2023	2022
Operating revenue	Related party in substance	\$ 10,975	\$ 8,414	\$ 22,729	\$ 22,040
	Investor with significant influence	-	15	25	15
	Other related party	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
		<u>\$ 10,978</u>	<u>\$ 8,429</u>	<u>\$ 22,757</u>	<u>\$ 22,055</u>

The goods sold by the Group to the related parties and the credit terms granted were made at the Group's usual prices and terms.

c. Processing fees

Related Party Category	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2023	2022	2023	2022
Related party in substance	\$ 14,525	\$ 20,745	\$ 20,560	\$ 25,420
Associate	<u>22,448</u>	<u>44,905</u>	<u>22,448</u>	<u>44,905</u>
	<u>\$ 36,973</u>	<u>\$ 65,650</u>	<u>\$ 43,008</u>	<u>\$ 70,325</u>

The processing fees charged by the related parties in substance to the Group and the credit terms granted were made at the Group's usual prices and terms.

d. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Investor with significant influence- Formosa Taffeta Co., Ltd. (Group company)	\$ 141,795	\$ 308,850	\$ 380,567	\$ 636,407
Other related party	<u>469</u>	<u>79</u>	<u>1,818</u>	<u>432</u>
	<u>\$ 142,264</u>	<u>\$ 308,929</u>	<u>\$ 382,385</u>	<u>\$ 636,839</u>

The purchases of goods from the related parties by the Group and the credit terms granted were made at the Group's usual prices and terms.

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables	Related party in substance	<u>\$ 23,954</u>	<u>\$ 32,003</u>	<u>\$ 21,218</u>

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Trade payables	Investor with significant influence Formosa Taffeta Co., Ltd. (Group company)	\$144,701	\$154,703	\$320,893
	Other related party	<u>-</u>	<u>112</u>	<u>76</u>
		<u>\$144,701</u>	<u>\$154,815</u>	<u>\$320,969</u>
Other payables	Other related party I-Chun Chuang	\$ 85,317	\$161,217	\$156,019
	Related party in substance Associate Anhui Xingxing Garment Co., Ltd.	11,058	8,116	9,496
		<u>24,781</u>	<u>-</u>	<u>52,723</u>
		<u>\$ 121,156</u>	<u>\$169,333</u>	<u>\$ 218,238</u>

The outstanding trade payables to related parties are unsecured.

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended		For the Six Months Ended	
		June 30		June 30	
		2023	2022	2023	2022
Other income (rental income)	Related party in substance	\$ -	\$ -	\$ 46	\$ 56
	Other related party	<u>-</u>	<u>798</u>	<u>10</u>	<u>798</u>
		<u>\$ -</u>	<u>\$ 798</u>	<u>\$ 56</u>	<u>\$ 854</u>

The rental revenue received from the related parties in substance were due to the rental of office space at prices negotiated between the transacting parties, and rental payments are received accordingly.

h. Remuneration of key management personnel

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 16,250	\$ 12,023	\$ 30,931	\$ 25,614
Post-employment benefits	<u>293</u>	<u>250</u>	<u>564</u>	<u>507</u>
	<u>\$ 16,543</u>	<u>\$ 12,273</u>	<u>\$ 31,495</u>	<u>\$ 26,121</u>

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

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for purchases from suppliers:

	June 30, 2023	December 31, 2022	June 30, 2022
Pledged deposits (classified as financial assets at amortized cost - current)	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group were as follows:

- As of June 30, 2023, the Group had unused letters of credit for purchases of raw materials that amounted to \$237,359 thousand.
- As of June 30, 2023, guarantee notes submitted by the Group for loan applications and borrowings amounted to \$8,321,691 thousand.
- As of June 30, 2023, the Group's unrecognized commitments for the purchase of property, plant and equipment amounted to \$376,213 thousand.

39. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On August 3, 2023, the Company's board of directors approved to increase the capital of subsidiary Kwang Viet Garment Co., Ltd. by cash in the amount of US\$3,000 thousand.

40. 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 of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 185,601	31.14 (USD:NTD)	\$ 5,779,610
USD	31,937	23,605 (USD:VND)	994,520
USD	21,843	7.2258 (USD:RMB)	680,181
USD	24,202	0.708 (USD:JOD)	753,665
RMB	16,863	4.3096 (RMB:NTD)	72,655
VND	63,599,375	0.000042 (VND:USD)	86,825
EUR	1,274	4.9636 (EUR:RON)	43,056

Financial liabilities

Monetary items			
USD	100,825	31.14 (USD:NTD)	3,139,677
USD	47,708	0.708 (USD:JOD)	1,485,619
USD	9,286	7.2258 (USD:RMB)	289,179
USD	4,652	23,605 (USD:VND)	144,857
VND	27,824,640	0.000042 (VND:USD)	37,986

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 105,696	30.71 (USD:NTD)	\$ 3,245,916
USD	20,959	23,850 (USD:VND)	643,658
USD	18,642	6.9646 (USD:RMB)	572,490
USD	15,756	0.708 (USD:JOD)	483,973
RMB	17,125	4.4094 (RMB:NTD)	75,509
EUR	1,941	4.9485 (EUR:RON)	63,497
VND	30,182,425	0.000043 (VND:USD)	39,594

(Continued)

Financial liabilities

Monetary items

USD	70,277	30.71 (USD:NTD)	2,158,200
USD	4,720	23,850 (USD:VND)	144,958
USD	5,277	6.9646 (USD:RMB)	162,067
USD	43,904	0.708 (USD:JOD)	1,349,677
VND	53,498,891	0.000043 (VND:USD)	70,182

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 51,932	29.72 (USD:NTD)	\$ 1,543,411
USD	30,410	23,280 (USD:VND)	903,778
USD	18,867	6.7114 (USD:RMB)	560,716
USD	12,132	0.708 (USD:JOD)	360,556
RMB	32,465	4.428 (RMB:NTD)	144,157
VND	19,925,670	0.000043 (VND:USD)	25,871

Financial liabilities

Monetary items

USD	104,898	29.72 (USD:NTD)	3,117,572
USD	19,720	0.708 (USD:JOD)	586,069
USD	11,927	6.7114 (USD:RMB)	354,480
USD	6,452	23,280 (USD:VND)	191,760
VND	42,296,120	0.000043 (VND:USD)	55,109

(Concluded)

For the three months and six months ended June 30, 2023 and 2022, realized and unrealized net foreign exchange gains were \$57,793 thousand, \$20,661 thousand, \$23,755 thousand and \$2,703 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

41. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of 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 (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 (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 9) Trading in derivative instruments (None)
 - 10) Intercompany relationships and significant intercompany transactions (Table 7)
- b. Information on investees (Table 8)
- c. Information on investments 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, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (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 (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. 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 (Table 11)

42. 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 were as follows:

Garment business
Down feather business
Medical business

a. Segment revenue and results

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

	Garment	Down Feather	Medical	Total
For the six months ended <u>June 30, 2023</u>				
Revenue from external customers	\$ 7,025,672	\$ 73,091	\$ 311,580	\$ 7,410,343
Inter-segment revenue	<u>3,377,575</u>	<u>342,832</u>	<u>-</u>	<u>3,720,407</u>
Segment revenue	<u>10,403,247</u>	<u>415,923</u>	<u>311,580</u>	<u>11,130,750</u>
Eliminations				<u>(3,720,407)</u>
Consolidated revenue				<u>\$7,410,343</u>
Segment income	<u>\$ 420,422</u>	<u>\$ 32,010</u>	<u>\$ (27,903)</u>	\$ 424,529
Interest income				71,235
Grant income				8,429
Rental income				5,540
Loss on disposal of property, plant and equipment				(627)
Financial assets measured at FVTPL				11,557
Net exchange gain				23,755
Other income and gains				6,293
Other losses				(33,275)
Finance costs				(69,370)
Share of profit or loss of associates accounted for using the equity method				<u>10,017</u>
Profit before tax from continuing operations				<u>\$ 458,083</u>

	Garment	Down Feather	Medical	Total
For the six months ended <u>June 30, 2022</u>				
Revenue from external customers	\$ 7,391,083	\$ 57,167	\$ 382,348	\$ 7,830,598
Inter-segment revenue	<u>3,413,421</u>	<u>424,623</u>	<u>-</u>	<u>3,838,044</u>
Segment revenue	<u>10,804,504</u>	<u>481,790</u>	<u>382,348</u>	<u>11,668,642</u>
Eliminations				<u>(3,838,044)</u>
Consolidated revenue				<u>\$ 7,830,598</u>
Segment income	<u>\$ 538,973</u>	<u>\$ 68,254</u>	<u>\$ (7,283)</u>	\$ 599,944
Interest income				24,468
Grant income				11,513
Rental income				7,522
Gain on lease modifications				8,716
Loss on disposal of property, plant and equipment				(4,586)
Financial assets measured at FVTPL				(986)
Net exchange gain				2,703
Other income and gains				9,324
Other losses				(1,006)
Finance costs				(30,764)
Share of profit or loss of associates accounted for using the equity method				<u>34,297</u>
Profit before tax from continuing operations				<u>\$ 661,145</u>

The above revenue was generated from transactions with external customers.

Segment income represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Segment assets</u>			
Garment business	\$ 16,199,825	\$ 13,817,288	\$ 16,417,369
Medical product business	1,718,838	1,845,328	1,777,545
Down feather business	<u>648,675</u>	<u>650,476</u>	<u>664,611</u>
Total segment assets	18,567,338	16,313,092	18,859,525

(Continued)

Unallocated assets	<u>215,849</u>	<u>173,068</u>	<u>208,130</u>
Consolidated total assets	<u>\$ 18,783,187</u>	<u>\$ 16,486,160</u>	<u>\$ 19,067,655</u>
<u>Segment liabilities</u>			
Garment business	\$ 8,543,221	\$ 5,930,007	\$ 9,605,027
Medical product business	229,692	302,793	293,936
Down feather business	<u>69,097</u>	<u>56,845</u>	<u>116,977</u>
Total segment liabilities	8,842,010	6,289,645	10,015,940
Unallocated liabilities	<u>438,012</u>	<u>428,768</u>	<u>461,480</u>
Consolidated total liabilities	<u>\$ 9,280,022</u>	<u>\$ 6,718,413</u>	<u>\$ 10,477,420</u> (Concluded)

c. Geographical information

The Group's revenue from continuing operations from external customers by location of operations is detailed below:

	Revenue from External Customers			
	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
North America	\$ 3,042,407	\$ 2,665,583	\$ 4,537,801	\$ 4,267,614
Europe	1,104,211	1,402,035	1,675,641	1,910,927
Mainland China	151,007	158,400	316,480	499,034
Japan	121,416	184,200	265,111	324,197
Oceania	43,581	45,153	75,902	79,936
Others	<u>290,537</u>	<u>368,678</u>	<u>539,408</u>	<u>748,890</u>
	<u>\$ 4,753,159</u>	<u>\$ 4,824,049</u>	<u>\$ 7,410,343</u>	<u>\$ 7,830,598</u>

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales
VF (Group company)	\$1,096,255	23	\$ 957,629	20	\$1,527,877	21	\$1,239,058	16
PATAGONIA	1,091,727	23	926,251	19	1,488,011	20	1,378,779	18
ADIDAS(Group company)	573,254	12	645,917	13	924,938	12	1,002,405	13
NIKE (Group company)	<u>348,688</u>	<u>7</u>	<u>673,306</u>	<u>14</u>	<u>485,806</u>	<u>7</u>	<u>898,495</u>	<u>11</u>
	<u>\$3,109,924</u>	<u>65</u>	<u>\$3,203,103</u>	<u>66</u>	<u>\$4,426,632</u>	<u>60</u>	<u>\$4,518,737</u>	<u>58</u>

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

(In Thousands of New Taiwan Dollars, and Thousands of Foreign Currencies, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
0	Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	Other receivables - related parties	Yes	\$ 276,750 (US\$ 9,000)	\$ 140,130 (US\$ 4,500)	\$ 140,130 (US\$ 4,500)	-	1	\$ 638,305	Business	\$ -	None	-	\$ 638,305	\$ 2,977,556	Note 5
		Atlanta Garment Manufacturing Company LLC	Other receivables - related parties	Yes	496,240 (US\$ 16,000)	342,540 (US\$ 11,000)	286,519 (US\$ 9,201)	2.50-5.50	1	902,668	Business	-	"	-	902,668	2,977,556	Note 6
		Atlanta Garment Manufacturing Company LLC	Other receivables - related parties	Yes	91,440 (US\$ 3,000)	-	-	2.25	2	-	Turnover	-	"	-	2,233,167	2,977,556	-
		Sidney Apparels LLC	Other receivables - related parties	Yes	249,120 (US\$ 8,000)	249,120 (US\$ 8,000)	194,625 (US\$ 6,250)	5.50-5.90	1	325,173	Business	-	"	-	325,173	2,977,556	Note 7
		Sidney Apparels LLC	Other receivables - related parties	Yes	186,840 (US\$ 6,000)	186,840 (US\$ 6,000)	186,840 (US\$ 6,000)	1.80-4.50	2	-	Turnover	-	"	-	2,233,167	2,977,556	-
1	Top One Down & Feather Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	Other receivables - related parties	Yes	66,642 (RMB 15,000)	64,644 (RMB 15,000)	64,644 (RMB 15,000)	2.50	1	116,120	Business	-	"	-	116,120	221,169	Note 8
2	King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	Other receivables - related parties	Yes	123,240 (US\$ 4,000)	62,280 (US\$ 2,000)	-	3.00	1	315,523	Business	-	"	-	315,523	683,593	Note 9
		King Hung Garments Industrial Co., Ltd.	Other receivables - related parties	Yes	62,280 (US\$ 2,000)	62,280 (US\$ 2,000)	-	3.00	1	416,955	Business	-	"	-	416,955	683,593	Note 10
3	Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	Other receivables - related parties	Yes	77,850 (US\$ 2,500)	77,850 (US\$ 2,500)	77,850 (US\$ 2,500)	0.50	1	105,585	Business	-	"	-	105,585	479,073	Note 11
4	Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	Other receivables - related parties	Yes	44,428 (RMB 10,000)	43,096 (RMB 10,000)	17,238 (RMB 4,000)	4.35	1	54,825	Business	-	"	-	54,825	226,562	Note 12
		Principle & Will Biotech (Xiantao) Co., Ltd.	Other receivables - related parties	Yes	22,214 (RMB 5,000)	21,548 (RMB 5,000)	-	4.35	2	-	Turnover	-	"	-	169,921	226,562	-

Note 1: Numbering sequence is as follows:

- The issuer is numbered 0.
- Investees are numbered sequentially starting from 1.

Note 2: The nature of financing is as follows:

- Borrowers with business relationships are numbered 1.
- Borrowers with short term financing needs are numbered 2.

- Note 3:
- The amount available for the Company lending to individual borrowers shall not exceed the amount of business transactions between the two parties within the most recent year in the case of business transaction; the amount available for the Company lending to individual borrowers shall not exceed 30% of the net worth of the parent company on its most recent financial statements in the case of operating turnover. In addition, the total amount lendable shall not exceed 40% of net worth of the parent company on its most recent financial statements.
 - The amount that Top One Down & Feather Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.
 - The amount that King Hamm Industrial Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.
 - The amount that Principle & Will Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.
 - The amount that Principle & Will Biotech (Pinghu) Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year in the case of business transaction, and the amount that Principle & Will Biotech (Pinghu) Co., Ltd. can provide to any individual borrower shall not exceed 30% of its net worth on its most recent financial statements in the case of operating turnover; the total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.

Note 4: The above transactions have been eliminated on the preparation of the consolidated financial statements.

Note 5: In the most recent fiscal year, the amounts transacted between the Company and Quang Viet (Long An) Co., Ltd. were processing fee of \$638,305 thousand.

Note 6: In the most recent fiscal year, the amounts transacted between the Company and Atlanta Garment Manufacturing Company LLC were purchases of \$902,668 thousand.

(Continued)

Note 7: In the most recent fiscal year, the amounts transacted between the Company and A Sidney Apparels LLC were purchases of \$325,173 thousand.

Note 8: The amounts transacted between Top One Down & Feather Co., Ltd. and Top One Down & Feather Shu Yang Co., Ltd. in the most recent fiscal year were purchases amounting to \$116,120 thousand.

Note 9: The amounts transacted between King Hamm Industrial Co., Ltd. and King Hamm Industrial Co., Ltd. (VN) in the most recent fiscal year were processing fee of \$315,523 thousand.

Note 10: The amounts transacted between King Hamm Industrial Co., Ltd. and King Hung Garments Industrial Co., Ltd. in the most recent fiscal year were processing fee of \$416,955 thousand.

Note 11: The amounts transacted between Principle & Will Co., Ltd. and Principle & Will Biotech (Pinghu) Co., Ltd. in the most recent fiscal year were purchases of \$105,585 thousand.

Note 12: The amounts transacted between Principle & Will Biotech (Pinghu) Co., Ltd. and Principle & Will Biotech (Xiantao) Co., Ltd. in the most recent fiscal year were processing fee of \$54,825 thousand.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3 a.)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3 b.)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	Quang Viet Enterprise Co., Ltd.	Sidney Apparels LLC	b.	\$ 2,233,167	\$ 264,690	\$ 264,690	\$ 247,351	\$ -	3.56	\$ 3,721,946	Y	N	N

Note 1: Numbering sequence is as follows:

- a. The issuer is numbered 0
- b. Investees are numbered sequentially starting from 1.

Note 2: The 7 types of relationships between the endorser/guarantor and endorsees/guarantees are as follows:

- a. Company with business transactions
- b. Company where Quang Viet Enterprise Co., Ltd directly or indirectly holds over 50% of its voting shares
- c. Company that directly or indirectly holds more 50% of the shares in Quang Viet Enterprise Co., Ltd.
- d. Company where Quang Viet Enterprise Co., Ltd directly or indirectly holds of or exceeding 90% of its voting shares
- e. Companies in the same industry bound by contracts that must endorse/guarantee one another for construction contract purposes.
- f. For investment purposes, where it is necessary that all investors endorse/guarantee for the company according to the proportion of shares held.
- g. Companies in the business of sales of presale houses that must endorse/guarantee for each other according to the Consumer Protection Act.

Note 3: The limits to be granted for endorsements/guarantees are calculated as follows:

- a. The amount of the guarantee provided by Quang Viet Enterprise Co., Ltd to any individual entity shall not exceed 30% of its net worth.
- b. The aggregate amount of endorsement/guarantee provided shall not exceed 50% of Quang Viet Enterprise Co., Ltd.'s net worth.
- c. The aggregate amount of endorsement/guarantee of the Group provided shall not exceed 100% of Quang Viet Enterprise Co., Ltd.'s net worth.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	June 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Formosa Taffeta Co., Ltd.	Director of the Company	Financial assets at fair value through other comprehensive income - non-current	817,000	\$ 22,876		\$ 22,876	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Macauto Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	68,000	\$ 5,087		\$ 5,087	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Formosa Chemicals & Fibre Corp.	-	Financial assets at fair value through other comprehensive income - non-current	100,000	\$ 6,710		\$ 6,710	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Yageo Corporation	-	Financial assets at fair value through other comprehensive income - non-current	19,898	\$ 9,780		\$ 9,780	
Quang Viet Enterprise Co., Ltd.	<u>Non-publicly traded shares</u> Spring Printing Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	793,250	\$ 5,952	19.00	\$ 5,952	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded preferred shares</u> Chailease Holding Company Limited	-	Financial assets at fair value through other comprehensive income - non-current	300,000	\$ 29,940		\$ 29,940	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	47,000	\$ 27,072		\$ 27,072	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Elite Semiconductor Microelectronics Technology Inc.	-	Financial assets at fair value through profit or loss - current	20,000	\$ 1,642		\$ 1,642	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	June 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded convertible bonds</u> Giant Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	30,000	\$ <u>3,144</u>		\$ <u>3,144</u>	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded convertible bonds</u> AcBel Polytech. Inc.,	-	Financial assets at fair value through profit or loss - current	50,000	\$ <u>5,280</u>		\$ <u>5,280</u>	
King Hamm Industrial Co., Ltd.	<u>Publicly traded shares</u> Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	\$ <u>28,800</u>		\$ <u>28,800</u>	
King Hamm Industrial Co., Ltd.	<u>Publicly traded shares</u> Elite Semiconductor Microelectronics Technology Inc.	-	Financial assets at fair value through profit or loss - current	100,000	\$ <u>8,210</u>		\$ <u>8,210</u>	
Jiaxing Quang Viet Garment Co., Ltd.	<u>Non-publicly traded shares</u> Anhui Xingxing Garment Co., Ltd.	Associate	Investment accounted for using equity method	11,000,000	\$ <u>536,749</u>	18.97	\$ <u>536,749</u>	

Note 1: The term “Marketable Securities” in this table refers to the IFRS No. 9 “Financial Instruments”, which refers to the stocks, bonds, beneficiary certificates and derivatives of the above items.

Note 2: For information on subsidiaries, affiliates, and interests in joint ventures, refer to Tables 8 and 9.

(Concluded)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COST OF AT LEAST NT300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE SIX MONTHS ENDED JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship	Information on previous transfer if counterparty is a related party				Pricing Reference	Purpose of acquisition	Other terms
							Property owner	Relationship	Date of transaction	Amount			
Quang Viet Enterprise Co., Ltd.	Real estate	2023/1/18	\$ 236,000	Payment in accordance with the sale and purchase agreement	natural person	-	NA	NA	NA	NA	Refer to the transaction prices nearby the area and real estate appraisal report issued by professional appraiser	For office use	None
King Hamm Industrial Co., Ltd.	Real estate	2023/4/18	375,000	Payment in accordance with the sale and purchase agreement	Desheng Construction Co., Ltd.	-	NA	NA	NA	NA	Refer to the transaction prices nearby the area and real estate appraisal report issued by professional appraiser	For office use	None

Note 1: The appraisal result should be presented in the “Basis or reference used in setting the price” if an appraisal report issued by a professional appraiser shall be obtained.

Note 2: Pain-in capital means the shares that the Company issued and fully paid. In the case of the Company whose shares have no par value or a par value other than NT\$10, the term “20% of the Company’s paid-in capital” used herein shall be calculated based on the equity attributable to shareholders of the parent in the balance sheet.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	Subsidiary	Processing fee	\$ 1,109,077	22	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	\$ (54,028)	3	Note
	Quang Viet (Tien Giang) Co., Ltd.	Subsidiary	Processing fee	839,757	17	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(159,279)	9	Note
	Quang Viet (Long An) Co., Ltd.	Subsidiary	Processing fee	313,110	6	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(742,988)	41	Note
	Jiaxing Quang Viet Garment Co., Ltd.	Subsidiary	Purchases	198,231	4	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(151,367)	15	Note
	Atlanta Garment Manufacturing Company LLC	Subsidiary	Purchases	544,626	11	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(417,516)	42	Note
	Sidney Apparels LLC	Subsidiary	Purchases	177,166	4	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(71,834)	7	Note
	Formosa Taffeta Co., Ltd. (Group company)	Corporate director of the Company and its subsidiary	Purchases	262,491	5	Net 75 days from the end of the month when the invoice is issued	Normal transaction price	Net 75 days from the end of the month when the invoice is issued	(86,495)	9	-
Jiaxing Quang Viet Garment Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	Brother company	Purchases	180,866	50	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(74,887)	16	Note
	Formosa Taffeta Co., Ltd. (Group company)	Corporate director of the Company and its subsidiary	Purchases	108,876	30	Net 75 days from the end of the month when the invoice is issued	Normal transaction price	Net 75 days from the end of the month when the invoice is issued	(58,206)	13	-
King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	Subsidiary	Processing fee	130,269	14	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	-	-	Note
	King Hung Garments Industrial Co., Ltd.	Subsidiary	Processing fee	113,723	12	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(28,541)	16	Note
	Atlanta Garment Manufacturing Company LLC	Brother company	Purchases	226,450	25	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(105,478)	47	Note
	Sidney Apparels LLC	Brother company	Purchases	106,430	12	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(72,560)	32	Note

Note: The above transactions have been eliminated during the preparation of the consolidated financial statements.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	Subsidiary	Other receivables - related parties \$ 140,130	-	\$ -	-	\$ -	\$ -
	Atlanta Garment Manufacturing Company LLC	Subsidiary	Other receivables - related parties 583,684	-	-	-	-	-
	Sidney Apparels LLC	Subsidiary	Other receivables - related parties 734,964	-	-	-	-	-
	Biancospino S.R.L.	Subsidiary	Other receivables - related parties 119,395	-	-	-	-	-
Quang Viet (Tien Giang) Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	Other receivables - related parties 159,279	21.09	-	-	145,274	-
Quang Viet (Long An) Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	Other receivables - related parties 742,988	0.93	-	-	48,267	-
Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	Subsidiary	Other receivables - related parties 183,144	-	-	-	-	-
Jiaxing Quang Viet Garment Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	Trade receivables - related parties 151,367	3.27	-	-	-	-
Atlanta Garment Manufacturing Company LLC	Quang Viet Enterprise Co., Ltd.	Subsidiary	Trade receivables - related parties 417,516	3.48	-	-	23,148	-
	King Hamm Industrial Co., Ltd.	Brother company	Trade receivables - related parties 105,478	3.90	-	-	20,045	-

Note: The above transactions have been eliminated during the preparation of the consolidated financial statements.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE SIX MONTHS ENDED JUNE 30, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	1	Cost of goods sold (processing fee)	\$ 1,109,077	Mutual agreement on internal transfer pricing	15
		Kwang Viet Garment Co., Ltd.	1	Other payables	54,028	"	-
		Quang Viet (Tien Giang) Co., Ltd.	1	Cost of goods sold (processing fee)	839,757	"	11
		Quang Viet (Tien Giang) Co., Ltd.	1	Other payables	159,279	"	1
		Quang Viet (Long An) Co., Ltd.	1	Cost of goods sold (processing fee)	313,110	"	4
		Quang Viet (Long An) Co., Ltd.	1	Other receivables	140,130	"	1
		Quang Viet (Long An) Co., Ltd.	1	Other payables	742,988	"	4
		Jiaxing Quang Viet Garment Co., Ltd.	1	Cost of goods sold (purchase of finished goods)	198,231	"	3
		Jiaxing Quang Viet Garment Co., Ltd.	1	Technical service revenue	13,163	"	-
		Jiaxing Quang Viet Garment Co., Ltd.	1	Other receivables	39,610	"	-
		Jiaxing Quang Viet Garment Co., Ltd.	1	Trade payables	151,367	"	1
		Atlanta Garment Manufacturing Company LLC	1	Cost of goods sold (purchase of finished goods)	544,626	"	7
		Atlanta Garment Manufacturing Company LLC	1	Interest income	4,621	"	-
		Atlanta Garment Manufacturing Company LLC	1	Other receivables	583,684	"	3
		Atlanta Garment Manufacturing Company LLC	1	Trade payables	417,516	"	2
		Top One Down & Feather Co., Ltd.	1	Cost of goods sold (purchase of raw material)	69,696	"	1
		Top One Down & Feather Co., Ltd.	1	Other receivables	19,135	"	-
		Top One Down & Feather Co., Ltd.	1	Trade payables	18,546	"	-
		King Hamm Industrial Co., Ltd.	1	Other receivables	46,709	"	-
		King Hamm Industrial Co., Ltd.	1	Other payables	3,514	"	-
		Q.V.S. Limited	1	Other receivables	35,343	"	-
		Sidney Apparels LLC	1	Cost of goods sold (purchase of finished goods)	177,166	"	2
		Sidney Apparels LLC	1	Interest income	5,252	"	-
		Sidney Apparels LLC	1	Other receivables	734,964	"	4
		Sidney Apparels LLC	1	Trade payables	71,834	"	-
		Biancospino S.R.L.	1	Other receivables	119,395	"	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
1	Jiaxing Quang Viet Garment Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	3	Cost of goods sold (purchase of raw material)	\$ 180,866	Mutual agreement on internal transfer pricing	2
		Top One Down & Feather Shu Yang Co., Ltd.	3	Prepayments for inventory	43,968	"	-
		Top One Down & Feather Shu Yang Co., Ltd.	3	Trade payables	74,887	"	-
		Top One Apparel Shu Yang Co., Ltd.	3	Cost of goods sold (processing fee)	15,108	"	-
		Top One Apparel Shu Yang Co., Ltd.	3	Other payables	5,218	"	-
		Q Gear Limited	3	Commission expense	8,739	"	-
		Q Gear Limited	3	Other payables	2,894	"	-
		Zhejiang Shang Hong Garment Co., Ltd.	3	Cost of goods sold (processing fee)	28,361	"	-
		Zhejiang Shang Hong Garment Co., Ltd.	3	Prepayments for inventory	12,929	"	-
		Zhejiang Shang Hong Garment Co., Ltd.	3	Other payables	7,903	"	-
		Principle & Will Biotech (Pinghu) Co., Ltd.	3	Cost of goods sold (rental expense)	1,536	"	-
2	Top One Down & Feather Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	3	Cost of goods sold (purchases)	96,626	"	1
		Top One Down & Feather Shu Yang Co., Ltd.	3	Other receivables	70,051	"	-
		Top One Down & Feather Shu Yang Co., Ltd.	3	Trade payables	62,288	"	-
		Q Gear Limited	3	Other income	2,755	"	-
		Q Gear Limited	3	Unearned receipts	2,757	"	-
3	Top One Down & Feather Shu Yang Co., Ltd.	Q Gear Limited	3	Commission expense	2,624	"	-
		Q Gear Limited	3	Other payables	1,220	"	-
4	King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	3	Cost of goods sold (processing fee)	130,269	"	2
		King Hung Garments Industrial Co., Ltd.	3	Cost of goods sold (processing fee)	113,723	"	2
		King Hung Garments Industrial Co., Ltd.	3	Other payables	28,541	"	-
		Atlanta Garment Manufacturing Company LLC	3	Cost of goods sold (purchase of finished goods)	226,450	"	3
		Atlanta Garment Manufacturing Company LLC	3	Other receivables	39,367	"	-
		Atlanta Garment Manufacturing Company LLC	3	Trade payables	105,478	"	1
		Sidney Apparels LLC	3	Cost of goods sold (purchase of finished goods)	106,430	"	1
		Sidney Apparels LLC	3	Other receivables	49,259	"	-
5	Atlanta Garment Manufacturing Company LLC	W&D Apparel (Jordan) Corp.	3	Cost of goods sold (processing fee)	38,563	"	1
		W&D Apparel (Jordan) Corp.	3	Other payables	4,198	"	-
		Sidney Apparels LLC	3	Cost of goods sold (processing fee)	42,673	"	1
		Sidney Apparels LLC	3	Other payables	15,494	"	-
6	Sidney Apparels LLC	Golden Style Apparels LLC	3	Other receivables	1,184	"	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
7	Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	3	Cost of goods sold (purchases)	\$ 58,798	Mutual agreement on internal transfer pricing	1
		Principle & Will Biotech (Pinghu) Co., Ltd.	3	Other receivables	183,144	"	1
		Principle & Will Biotech (Xiantao) Co., Ltd.	3	Other receivables	16,755	"	-
		Joykey Industrial (Pinghu) Limited	3	Other receivables	5,167	"	-
8	Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	3	Cost of goods sold (processing fee)	24,456	"	-
		Principle & Will Biotech (Xiantao) Co., Ltd.	3	Other receivables	20,137	"	-
		Joykey Industrial (Pinghu) Limited	3	Other income	14,511	"	-
		Joykey Industrial (Pinghu) Limited	3	Other receivables	15,708	"	-

Note 1: The numbering sequence for transactions between the parent company and its subsidiaries is as follows:

- a. The parent company is numbered 0.
- b. Subsidiaries are numbered sequentially from 1.

Note 2: The three types of relationships between transacting parties are as follows, the same transaction between the parent company and its subsidiary or between subsidiaries is only listed on one end.

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Between subsidiaries.

Note 3: Transaction price as a percentage of total sales or total assets is calculated based on the percentage of the ending balance to consolidated total assets for balance sheet items, and calculated based on the interim amount as a percentage of consolidated total revenue for income statement line items.

Note 4: The transactions of this table are listed based on materiality as determined by the Company.

(Concluded)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

FOR THE SIX MONTHS ENDED JUNE 30, 2023

(In Thousands of New Taiwan Dollars, and Thousands of Vietnamese Dong, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	Vietnam	Manufacturing and processing of apparel	\$ 394,733 (VND 242,652,696)	\$ 303,219 (VND 172,313,196)	-	100.00	\$ 647,650 (VND 490,937,003)	\$ 64,326 (VND 49,536,607)	\$ 50,303 (VND 38,737,481)	-
	Spring Co., Ltd.	Samoa	Holding company	476,343 (US\$ 15,230,000)	476,343 (US\$ 15,230,000)	15,230,000	100.00	1,868,757 (US\$ 60,011,475)	(98,413) (US\$ -3,221,381)	(94,794) (US\$ -3,102,921)	-
	Quang Viet (Tien Giang) Co., Ltd.	Vietnam	Manufacturing and processing of apparel	761,563 (VND 521,418,024)	761,563 (VND 521,418,024)	-	100.00	613,804 (VND 465,280,983)	97,981 (VND 75,453,360)	81,760 (VND 62,962,112)	-
	Q.V.S. Limited	Samoa	Holding company	77,450 (US\$ 2,100,000)	77,450 (US\$ 2,100,000)	2,100,000	100.00	(4,356) (US\$ -139,877)	(36,408) (US\$ -1,191,766)	(36,408) (US\$ -1,191,766)	-
	Top One Down & Feather Co., Ltd.	Taiwan	Sale of down products	478,385	478,385	47,838,480	95.68	523,735	27,427	25,496	-
	Q Gear Limited	Samoa	Agency for sale to external parties	1,510 (US\$ 50,000)	1,510 (US\$ 50,000)	50,000	100.00	103,764 (US\$ 3,332,172)	1,068 (US\$ 34,946)	1,068 (US\$ 34,946)	-
	Quang Viet (Long An) Co., Ltd.	Vietnam	Manufacturing and processing of apparel	482,716 (VND 341,987,000)	482,716 (VND 341,987,000)	-	100.00	862,431 (VND 653,746,736)	59,902 (VND 46,129,397)	50,064 (VND 38,553,595)	-
	Biancospino S.R.L.	Romania	Manufacturing and processing of apparel	274,104 (RON 36,554,700)	274,104 (RON 36,554,700)	-	51.00	165,314 (RON 24,269,458)	42,839 (RON 6,398,958)	21,848 (RON 3,263,469)	-
	Atlanta Garment Manufacturing Company LLC	Jordan	Manufacturing and processing of apparel	13,839 (JOD 330,000)	13,839 (JOD 330,000)	-	60.00	304,449 (JOD 6,921,965)	58,570 (JOD 1,357,361)	35,963 (JOD 833,442)	-
	King Hamm Industrial Co., Ltd.	Taiwan	Manufacturing, processing, and sale of apparel	600,251	462,763	23,054,600	45.65	790,352	124,209	57,451	-
	W&D Apparel (Jordan) Corp.	Jordan	Manufacturing and processing of apparel	34,214 (JOD 782,340)	34,214 (JOD 782,340)	-	65.00	41,417 (JOD 941,655)	10,980 (JOD 254,453)	7,137 (JOD 165,395)	-
	Q.V.P. Limited	Samoa	Holding company	420,934 (US\$ 14,780,000)	420,934 (US\$ 14,780,000)	14,780,000	100.00	708,783 (US\$ 22,761,181)	(3,901) (US\$ -127,688)	(3,901) (US\$ -127,688)	-
	Sidney Apparels LLC	Jordan	Manufacturing and processing of apparel	- (JOD 1)	- (JOD 1)	-	100.00	(212,644) (JOD -4,843,008)	(114,572) (JOD -2,659,803)	(113,004) (JOD -2,623,390)	-
	Golden Style Apparels LLC	Jordan	Manufacturing and processing of apparel	2,273 (JOD 50,000)	2,273 (JOD 50,000)	-	100.00	2,156 (JOD 49,028)	- (JOD -)	- (JOD -)	-
	Spring Co., Ltd.	Jiaxing Quang Viet Garment Co., Ltd.	China	Manufacturing, processing, and sale of apparel	445,785 (RMB 98,939,650)	445,785 (RMB 98,939,650)	-	100.00	1,865,019 (RMB 432,763,454)	(98,415) (RMB -22,309,102)	(98,415) (RMB -22,309,102)
Jiaxing Quang Viet Garment Co., Ltd.	Anhui Xingxing Garment Co., Ltd.	China	Manufacturing, processing, and sale of apparel	273,340 (RMB 60,500,000)	273,340 (RMB 60,500,000)	11,000,000	18.97	536,749 (RMB 124,548,479)	60,967 (RMB 13,820,164)	10,017 (RMB 2,270,644)	-
Q.V.S. Limited	Top One Apparel Shu Yang Co., Ltd.	China	Manufacturing and processing of apparel	61,693 (RMB 13,228,560)	61,693 (RMB 13,228,560)	-	100.00	26,533 (RMB 6,156,786)	(36,417) (RMB -8,255,224)	(36,417) (RMB -8,255,224)	-
Top One Apparel Shu Yang Co., Ltd.	Zhejiang Shang Hong Garment Co., Ltd.	China	Manufacturing and processing of apparel	43,650 (RMB 10,000,000)	43,650 (RMB 10,000,000)	-	100.00	8,609 (RMB 1,997,723)	(19,458) (RMB -4,410,769)	(19,458) (RMB -4,410,769)	-
Top One Down & Feather Co., Ltd.	T.O.D. Limited	Samoa	Holding company	271,666 (US\$ 9,000,000)	271,666 (US\$ 9,000,000)	9,000,000	100.00	544,358 (US\$ 17,481,002)	30,749 (US\$ 1,006,507)	25,254 (US\$ 826,636)	-
T.O.D. Limited	Top One Down & Feather Shu Yang Co., Ltd.	China	Manufacturing, processing and sale of down products	267,934 (RMB 56,000,000)	267,934 (RMB 56,000,000)	-	100.00	549,339 (RMB 127,469,855)	30,901 (RMB 7,004,793)	25,406 (RMB 5,759,149)	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
King Hamm Industrial Co., Ltd.	King Hung Garments Industrial Co., Ltd.	Vietnam	Manufacturing and processing of apparel	\$ 87,634 (US\$ 2,910,000)	\$ 87,634 (US\$ 2,910,000)	-	100.00	\$ 94,869 (US\$ 3,046,519)	\$ (7,991) (US\$ -261,569)	\$ (8,403) (US\$ -275,068)	-
	King Hamm Industrial Co., Ltd. (VN)	Vietnam	Manufacturing and processing of apparel	214,322 (US\$ 7,080,000)	214,322 (US\$ 7,080,000)	-	100.00	187,165 (US\$ 6,010,440)	(19,356) (US\$ -633,571)	(19,445) (US\$ -636,493)	-
	Kingsville Garment Industry	Jordan	Manufacturing and processing of apparel	2,252 (JOD 50,000)	2,252 (JOD 50,000)	-	100.00	3,022 (JOD 68,687)	(346) (JOD -8,020)	(346) (JOD -8,020)	-
Q.V.P. Limited	Principle & Will Co., Ltd.	Samoa	Holding company	420,650 (US\$ 14,770,000)	420,650 (US\$ 14,770,000)	10,000,000	50.00	708,609 (US\$ 22,755,584)	(2,866) (US\$ -93,827)	(3,904) (US\$ -127,792)	-
Principle & Will Co., Ltd.	Joykey Industrial Limited	Hong Kong	Holding company	66,848 (RMB 15,453,317)	66,848 (RMB 15,453,317)	-	100.00	74,589 (RMB 17,307,710)	(15,281) (RMB -3,463,975)	(15,281) (RMB -3,463,975)	-
	Principle & Will Biotech (Pinghu) Co., Ltd.	China	Manufacturing, processing and sale of medical products	740,363 (RMB 161,189,287)	740,363 (RMB 161,189,287)	-	100.00	566,404 (RMB 131,429,685)	11,423 (RMB 2,589,501)	11,423 (RMB 2,589,501)	-
Joykey Industrial Limited	Principle & Will Biotech (Xiantao) Co., Ltd.	China	Manufacturing, processing and sale of medical products	57,572 (RMB 11,873,793)	57,572 (RMB 11,873,793)	-	29.27	48,210 (RMB 11,186,687)	(10,800) (RMB -2,448,285)	(9,399) (RMB -2,130,588)	-
	Joykey Industrial (Pinghu) Limited	China	Manufacturing and sale of medical products	16,568 (RMB 3,579,524)	16,568 (RMB 3,579,524)	-	100.00	26,379 (RMB 6,121,023)	(5,882) (RMB -1,333,387)	(5,882) (RMB -1,333,387)	-
Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	China	Manufacturing, processing and sale of medical products	129,968 (RMB 30,000,000)	- (RMB -)	-	70.73	116,497 (RMB 27,032,264)	(10,800) (RMB -2,448,285)	(1,401) (RMB -317,697)	-

(Concluded)

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2(b))	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023	Note
					Outward	Inward							
Jiaxing Quang Viet Garment Co., Ltd.	Manufacturing, processing, and sale of apparel	\$ 445,785 (RMB 98,939,650)	(b) Spring Co., Ltd.	\$ 445,785 (US\$ 14,200,000)	\$ -	\$ -	\$ 445,785 (US\$ 14,200,000)	\$ (98,415) (RMB -22,309,102)	100.00	\$ (98,415) (RMB -22,309,102) 2)	\$ 1,865,019 (RMB 432,763,454)	\$ -	-
Top One Apparel Shu Yang Co., Ltd.	Manufacturing and processing of apparel	61,693 (RMB 13,228,560)	(b) Q.V.S. Limited	61,693 (US\$ 2,100,000)	-	-	61,693 (US\$ 2,100,000)	(36,417) (RMB -8,255,224)	100.00	(36,417) (RMB -8,255,224) 2)	26,533 (RMB 6,156,786)	-	-
Zhejiang Shang Hong Garment Co., Ltd.	Manufacturing and processing of apparel	43,650 (RMB 10,000,000)	(c) Top One Apparel Shu Yang Co., Ltd.	-	-	-	-	(19,458) (RMB -4,410,769)	100.00	(19,458) (RMB -4,410,769) 2)	8,609 (RMB 1,997,723)	-	-
Top One Down & Feather Shu Yang Co., Ltd.	Manufacturing, processing and sale of down products	267,934 (RMB 56,000,000)	(b) T.O.D. Limited	267,934 (US\$ 8,877,506)	-	-	267,934 (US\$ 8,877,506)	30,901 (RMB 7,004,793)	95.68	24,309 (RMB 5,510,353) 2)	549,339 (RMB 127,469,855)	-	-
Principle & Will Biotech (Pinghu) Co., Ltd.	Manufacturing, processing and sale of medical products	740,363 (RMB 161,189,287)	(b) Principle & Will Co., Ltd.	-	-	-	-	11,423 (RMB 2,589,501)	50.00	5,712 (RMB 1,294,750) 2)	566,404 (RMB 131,429,685)	-	-
Principle & Will Biotech (Xiantao) Co., Ltd.	Manufacturing, processing and sale of medical products	187,540 (RMB 41,873,793)	(b) Joykey Industrial Limited	-	-	-	-	(10,800) (RMB -2,448,285)	14.64	(4,699) (RMB -1,065,294) 2)	48,210 (RMB 11,186,687)	-	-
Joykey Industrial (Pinghu) Limited	Manufacturing and sale of medical products	16,568 (RMB 3,579,524)	(b) Joykey Industrial Limited	-	-	-	-	(5,882) (RMB -1,333,387)	50.00	(2,941) (RMB -666,693) 2)	26,379 (RMB 6,121,023)	-	-
Principle & Will Biotech (Xiantao) Co., Ltd.	Manufacturing, processing and sale of medical products	187,540 (RMB 41,873,793)	(c) Principle & Will Biotech (Pinghu) Co., Ltd.	-	-	-	-	(10,800) (RMB -2,448,285)	35.36	(701) (RMB -158,848) 2)	116,497 (RMB 27,032,264)	-	-
Anhui Xingxing Garment Co., Ltd.	Manufacturing, processing and sale of apparel	253,170 (RMB 57,980,000)	(c) Jiaxing Quang Viet Garment Co., Ltd.	-	-	-	-	60,967 (RMB 13,820,164)	18.97	10,017 (RMB 2,270,644) 3)	536,479 (RMB 124,548,479)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 3)
\$775,412 (US\$25,177,506)	\$1,826,945 (US\$58,668,756) (Exchange rate: 31.14)	\$4,466,335

Note 1: The three methods of investment are as follows:

- a. Direct investment in China
- b. Indirect investment through a company registered in a third region
- c. Others

Note 2: The amount recognized in investment income in the current year:

- a. Should be indicated if currently under preparation and not generating investment income.
- b. The basis of recognition of investment profit (loss) should be indicated and is classified as follows:
 - 1) Amount was recognized based on the financial statements audited by international audit firms with business relationships with audit firms in the ROC.
 - 2) Amount was recognized based on the parent company's audited financial statements.
 - 3) Others.

Note 3: According to Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China administered by the Foreign Investment Commission, the amount is limited to the higher of the net worth of the investor company or 60% of the consolidated net worth.

QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

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 FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Jiaxing Quang Viet Garment Co., Ltd.	Purchases	\$ 198,231	6	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	\$ (151,367)	15	\$ -	Notes 1 and 2
	Technical service revenue	13,163	65	"	-	3,137	6	-	
Top One Down & Feather Shu Yang Co., Ltd.	Purchase of raw material	96,626	97	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(62,288)	99	1,797	

Note 1: The proportion of technical service revenue to purchases/sales is calculated based on its percentage to consolidated other income.

Note 2: The proportion of technical service receivable to receivables is calculated based on its percentage to consolidated other receivables.

QUANG VIET ENTERPRISE CO., LTD.**INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Formosa Taffeta Co., Ltd.	18,595,352	17.97
Top One Investment Co., Ltd.	15,683,419	15.16

Note 1: 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 (including treasury shares) 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.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have the rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.