Stock Code: 5450

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, the entities that are required to be included in the consolidated financial statements of Nam Liong Global Corporation, in accordance with the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared under the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of Affiliates has all been included in the consolidated financial statements of parent and subsidiary companies. Consequently, Nam Liong Global Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare,

Nam Liong Global Corporation

By

____

SHAO, TEN-PO
Chairman

March 29, 2023

勤業眾信

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation)

Opinion

We have audited the consolidated financial statements of Nam Liong Global Corporation and its subsidiaries (Original name: Prolink Microsystems Corporation) (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Sales to Specific Customers

The Group's sales growth of specific customers was higher than the average growth rate and the amount was substantial in 2022. Therefore, authenticity of revenue for the sales to specific customers is identified as one of the key audit matters for the year ended December 31, 2022.

In connection with the above key audit matter, the following audit procedures were performed:

1. We understood, and evaluated relevant operating procedures and internal controls for sales transactions. Also, we tested the design on of the internal controls and the effectiveness of the implementation.
2. We obtained details of sales to breakdown from specific customers, and reviewed relevant documents of revenue recognition, including the original orders, delivery notes, and actual amount received to verify the authenticity of revenue recognition.
3. We obtained details of subsequent sales returns from specific customers, and verified the reasonableness of the returns.

Other Matter

We have audited and issued an unmodified opinion with an explanatory paragraph on the parent company only financial statements of Nam Liong Global Corporation (Original name: Prolink Microsystems Corporation) as of and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hsiu-Chun Huang and Pi-Yu Chuang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Notice to Readers

The consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles 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 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.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

CONSOLIDATED BALANCE SHEETS

DECEMBER 31,2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	$ 730,742	22	$ 588,613	17
1136	Financial assets at amortized cost – current (Note 4, 8 and 24)	46,863	1	65,340	2
1150	Notes receivable – non-related parties (Note 4 and 9)	35,954	1	98,995	3
1160	Notes receivable － related parties (Note 4, 9 and 23)	11,309	-	17,896	1
1170	Accounts receivable – non-related parties (Note 4 and 9)	354,095	11	445,386	13
1180	Accounts receivable － related parties (Note 4, 9 and 23)	46,909	1	73,352	2
1220	Current tax assets (Note 4 and 19)	1,857	-	223	-
130X	Inventories (Notes 4, 5 and 10)	511,778	15	516,209	15
1470	Other current assets (Notes 23)	55,816	2	72,257	2
11XX	Total current assets	1,795,323	53	1,878,271	55
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – non-current (Note 4, 7 and 22)	205,273	6	100,674	3
1535	Financial assets at amortized cost – non-current (Note 4, 8 and 24)	-	-	16,640	-
1600	Property, plant and equipment (Notes 4, 12 and 24)	1,064,128	31	1,059,156	31
1755	Right-of-use assets (Notes 4, 13, 24 and 25)	212,150	6	242,006	7
1805	Goodwill (Notes 4 and 14)	88,813	3	88,813	2
1821	Intangible assets (Notes 4)	4,152	-	3,335	-
1840	Deferred tax assets (Notes 4 and 19)	16,490	-	20,227	1
1990	Other non-current assets	16,728	1	23,065	1
15XX	Total non-current assets	1,607,734	47	1,553,916	45
1XXX	TOTAL	$ 3,403,057	100	$ 3,432,187	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 15 and 24)	$ 362,143	11	$ 420,006	12
2110	Short-term notes and bills payable (Notes 15 and 24)	29,871	1	29,954	1
2150	Notes payable － non-related parties	15,107	-	20,013	1
2160	Notes payable － related parties (Notes 23)	527	-	667	-
2170	Accounts payable － non-related parties	203,878	6	311,129	9
2180	Accounts payable － related parties (Notes 23)	7,230	-	14,313	1
2219	Other payables (Notes 23)	174,555	5	180,247	5
2230	Current tax liabilities (Notes 4 and 19)	11,451	-	8,168	-
2280	Lease liabilities – current (Notes 4, 13 and 23)	30,114	1	30,795	1
2320	Current portion of long-term borrowings (Notes 15, 24 and 25)	220,607	7	113,836	3
2399	Other current liabilities	79,239	2	43,502	1
21XX	Total current liabilities	1,134,722	33	1,172,630	34
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 15, 24 and 25)	456,238	14	610,276	18
2570	Deferred tax liabilities (Notes 4 and 19)	10,249	-	10,895	1
2580	Lease liabilities – non-current (Notes 4, 13 and 23)	153,453	5	179,341	5
2640	Net defined benefit liability – non-current (Note 4 and 16)	9,065	-	9,136	-
2645	Guarantee deposits received	176	-	172	-
25XX	Total non-current liabilities	629,181	19	809,820	24
2XXX	Total liabilities	1,763,903	52	1,982,450	58
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 4, 7, 11, 16 and 17)				
3100	Share capital	1,223,923	36	1,223,923	36
3211	Capital surplus	57,621	2	57,621	2
	Retained earnings				
3310	Legal reserve	14,597	-	-	-
3350	Unappropriated earnings	235,831	7	145,969	4
3300	Total Retained earnings	250,428	7	145,969	4
3400	Other equity	107,182	3	22,224	-
3XXX	Total equity	1,639,154	48	1,449,737	42
	TOTAL	$ 3,403,057	100	$ 3,432,187	100

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2022		2011	
Code		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes 4 and 23)	$ 3,082,227	100	$ 3,356,900	100
5110	OPERATING COSTS (Notes 4, 10, 16, 18 and 23)	2,262,133	74	2,485,138	74
5900	GROSS PROFIT	820,094	26	871,762	26
	OPERATING EXPENSES (Notes 4, 9, 16, 18 and 23)				
6100	Selling and marketing expenses	180,060	6	192,840	6
6200	General and administrative expenses	410,025	13	399,615	12
6300	Research and development expenses	90,095	3	88,810	2
6000	Total operating expenses	680,180	22	681,265	20
6500	OTHER OPERATING INCOME AND EXPENSES, NET (Notes 4 and 26)	-	-	432	-
6900	PROFIT FROM OPERATIONS	139,914	4	190,929	6
	NON-OPERATING INCOME AND EXPENSES				
7020	Other gains and losses (Notes 4, 12 and 18)	916	-	(6,349)	-
7050	Finance costs (Note 4 and 18)	(30,670)	(1)	(27,222)	(1)
7100	Interest revenue	3,352	-	1,865	-
7190	Other income (Note 4, 7, 13, 18 and 23)	29,074	1	32,690	1
7230	Foreign exchange gains (losses) (Note 4, 18 and 28)	52,847	2	(12,424)	-
7590	Miscellaneous disbursements	(3,934)	-	(3,396)	-
7000	Total non-operating income and expenses	51,585	2	(14,836)	-

(Continued)

Code		2022 Amount	2022 %	2021 Amount	2021 %
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 191,499	6	$ 176,093	6
7950	INCOME TAX EXPENSE (Notes 4 and 19)	(13,880)	-	(25,838)	(1)
8200	NET PROFIT FOR THE YEAR	177,619	6	150,255	5
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16 and 19)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	344	-	283	-
8316	Unrealized gains on investments in equity instruments at fair value through other comprehensive income	73,614	3	46,255	1
8349	Income tax related to items that will not be reclassified subsequently	(69)	-	(57)	-
8310		73,889	3	46,481	1
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	11,899	-	(962)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(555)	-	(613)	-
8360		11,344	-	(1,575)	-
8300	Other comprehensive income (loss), net of income tax	85,233	3	44,906	1
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 262,852	9	$ 195,161	6
	EARNINGS PER SHARE (Note 20)				
9710	Basic	$ 1.45		$ 1.23	
9810	Diluted	$ 1.44		$ 1.22	

(Concluded)

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

		Share capital (Note 4 and 17)			Retained Earnings (Note 4, 7, 16 and 17)		Other equity		
Code		Shares (In Thousands)	Amount	Capital surplus (Note 4, 11 and 17)	Legal Capital Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operation (Note 4 and 19)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 4 and 7)	Total Equity
A1	BALANCE AT JANUARY 1, 2021	122,392	$ 1,223,923	$ 32,321	$ -	($ 4,512)	($ 22,456)	$ -	$ 1,229,276
D1	Net profit for the year ended December 31, 2021	-	-	-	-	150,255	-	-	150,255
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	226	(1,575)	46,255	44,906
D5	Total comprehensive income (loss) in 2021	-	-	-	-	150,481	(1,575)	46,255	195,161
M7	Changes in percentage of ownership interests in subsidiaries	-	-	25,300	-	-	-	-	25,300
Z1	BALANCE AT DECEMBER 31, 2021	122,392	1,223,923	57,621	-	145,969	(24,031)	46,255	1,449,737
	Appropriation of 2021 earnings								
B1	Legal reserve	-	-	-	14,597	(14,597)	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	(73,435)	-	-	(73,435)
		-	-	-	14,597	(88,032)	-	-	(73,435)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	177,619	-	-	177,619
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	275	11,344	73,614	85,233
D5	Total comprehensive income (loss) in 2022	-	-	-	-	177,894	11,344	73,614	262,852
Z1	BALANCE AT DECEMBER 31, 2022	122,392	$ 1,223,923	$ 57,621	$ 14,597	$ 235,831	($ 12,687)	$ 119,869	$ 1,639,154

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 191,499	$ 176,093
A20010	Adjustments for:		
A20100	Depreciation expense	112,730	100,193
A20200	Amortization expense	1,060	877
A20300	Expected credit loss recognized (reversed)	(1,102)	1,533
A20900	Finance costs	30,670	27,222
A21200	Interest income	(3,352)	(1,865)
A21300	Dividend income	(44)	-
A22500	Losses (Gains) on disposal of property, plant and equipment	(961)	2,206
A22800	Losses on disposal of intangible assets	45	-
A23700	Write-down of inventories	23,936	2,823
A24100	Unrealized foreign currency exchange losses	619	384
A29900	Gains from lease modification	72	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	69,628	6,476
A31150	Accounts receivable	118,449	(111,920)
A31200	Inventories	(21,912)	(105,005)
A31240	Other current assets	15,901	(1,193)
A32130	Notes payable	(5,046)	8,324
A32150	Accounts payable	(114,530)	14,808
A32180	Other payables	(5,743)	44,881
A32230	Other current liabilities	35,737	3,051
A32240	Net defined benefit liabilities	273	248
A33000	Cash generated from operations	447,929	169,136
A33100	Interest received	3,352	1,880
A33300	Interest paid	(24,344)	(20,393)
A33500	Income taxes return (paid)	(9,044)	(21,751)
AAAA	Net cash generated from operating activities	417,893	128,872

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisitions of financial assets at fair value through other comprehensive income	($ 30,985)	($ 54,419)
B00040	Acquisitions of financial assets at amortized cost	-	(32,613)
B00050	Proceeds from disposal of financial assets at amortized cost	35,372	8,862
B02700	Acquisitions of property, plant, and equipment	(97,464)	(189,664)
B02800	Proceeds from disposal of property, plant and equipment	1,091	1,776
B03800	Decrease (Increase) in guarantee deposits paid	4,235	(3,236)
B04500	Acquisitions of intangible assets	(1,922)	(843)
B05350	Acquisition of right-of-use assets	(208)	-
B07200	Decrease (Increase) in prepayments for equipment	18,863	(4,235)
B07600	Dividends received	44	-
BBBB	Net cash used in investing activities	(70,974)	(274,372)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Increase (Decrease) in short-term borrowings	(58,642)	170,131
C00600	Decrease in short-term notes and bills payable	(166)	(247)
C01600	Proceeds from long-term borrowings	46,000	211,600
C01700	Repayments of long-term borrowings	(93,267)	(172,239)
C04020	Payments of lease liabilities	(37,261)	(32,610)
C04500	Cash dividends	(73,435)	-
CCCC	Net cash generated from (used in) financing activities	(216,771)	176,635
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	11,981	1,914
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	142,129	33,049
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	588,613	555,564
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	$ 730,742	$ 588,613

(Concluded)

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

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES
(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

Nam Liong Global Corporation (the "Company"), a Republic of China (R.O.C.) corporation, was incorporated in August 1989, and 100% merged with NAM LIONG ENTERPRISE CO., LTD. on December 31, 2020. The Company is the surviving company after the merger, while NAM LIONG ENTERPRISE CO., LTD. was the dissolved company. The Company engages mainly in the manufacturing and sales of rubber sponge, sponge lamination, hook and loop, flame retardant fabric, abrasion resistant fabric, TPU film, etc.

The Company's Original name "Prolink Microsystems Corporation" was officially changed to "Nam Liong Global Corporation" in July, 2020.

The Company's stocks have been listed on the Taipei Exchange (TPEx) since August 22, 2000.

As of December, 2022 and 2021, ZI LIONG ENTERPRISE CO., LTD. is the major shareholder with 72.08% equity interest in the Company.

The consolidated financial statements are presented the Company's functional currency, the New Taiwan dollars.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The consolidated financial statements were approved by the Board of Directors on March 29, 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, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

   The Company assessed that the application of the amendments to the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application beginning in 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023 (Note 1)
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)

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

Note 2: The amendments apply to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments apply to transactions that occur after January 1, 2022.

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

c. The IFRSs in issue by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Lease 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 1 "Non-current Liabilities with Covenants"	January 1, 2024

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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

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

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

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 the 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 the asset or liability.

c. Classification of Current and Non-current Assets and Liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting date; and

3) Cash and cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date).

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting date; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

All other assets or liabilities that are not specified above are classified as non-current.

d. Basis of Consolidation

The consolidated financial statements combine the financial statements of the parent company and its subsidiaries controlled by the Company. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to keep their accounting policies in line with those used by 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.

Please refer to Note 11, Table 5 and 6 for details on the subsidiaries (including the percentages of ownership and main businesses).

e. Foreign Currencies

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

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

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

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the prevailing exchange rates on the transaction dates and are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations (including subsidiaries in other countries or those that use currencies that are different from the Group) are translated into New Taiwan dollars using prevailing exchange rates at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., disposal of the Group’s entire interest in a foreign operation, or disposal of a subsidiary's partial interest in a foreign operation with loss of control, of which the retained interest is a financial asset in accordance with the accounting policy of financial instruments), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

For the partial disposal of a subsidiary that does not result in the Group losing control over it, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods, work-in-process, semi-finished goods, and merchandise. Inventories are measured at the lower of cost or net realizable value. The comparison between costs and net realizable values is based on individual items except for the same category of inventory. The net realizable value is the estimated selling price in the ordinary course of business minus the estimated cost to completion and the estimated cost necessary to make the sale. Inventory costs are calculated using the weighted average method.

g. Property, Plant and Equipment

Property, plant and equipment are measured at cost and subsequently measured at cost, less accumulated depreciation and accumulated impairment loss.
Property, plant and equipment in the course of construction are measured at cost, less any recognized impairment loss. The cost includes professional service fees and borrowing costs eligible for capitalization. Such assets are measured at the lower of cost or net realizable value and recognized sales price and cost in profit or loss before ready for their intended use. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, property, plant and equipment are depreciated using the straight-line method. Each significant part is depreciated separately. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting date, with the effect of any changes in the estimates accounted for on a prospective basis.

When property, plant, and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

h. Goodwill

Goodwill arising from the acquisition of a business is carried at cost, as established at the date of business acquisition, less the accumulated impairment loss.
For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units"), which are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination in the current fiscal period, that unit shall be tested for impairment before the end of the current fiscal period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, followed by the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.
If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the discontinued operation is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative value of the discontinued operation and the retained portion of the cash-generating unit.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets (with finite useful life) acquired separately are initially measured at cost, and subsequently measured at cost, less any accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over their useful life. The estimated useful life, residual value, and amortization method are reviewed at each reporting date, with the effect of any changes in estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

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

j. Impairment of Property, Plant and Equipment, Right-of-use assets and Intangible Assets other than Goodwill

At each reporting date, the Group assesses for indications of impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill. If any such indication exists, the recoverable amount of the asset shall be estimated. If it is not possible to determine the recoverable amount for an individual asset, the Group shall estimate the recoverable amount of the cash generating unit to which the asset belongs.
The recoverable amount is the fair value less costs to sell or the value in use, whichever is higher. If the recoverable amount of individual asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit should be reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit shall increase to the revised recoverable amount. Still, the increased carrying amount shall not exceed the carrying amount (less any amortization or depreciation) of the asset or cash-generating unit without impairment loss recognized in the previous year. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially not recognized at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets held by the Group are classified as financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income.

i. Financial Assets at Amortized Cost

When the Group's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets at amortized cost:

i) Financial assets are held within a certain business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Subsequent to initial recognition, financial assets at amortized costs (including cash and cash equivalents, notes receivable, accounts receivable, financial assets measured at amortized cost, other receivables, and refundable deposits) are measured at the gross carrying amount, as determined using the effective interest method, less any impairment loss. Foreign exchange gain or loss arising therefrom is recognized in profit or loss.

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

i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of financial assets.

ii) For purchased or originated financial assets that are not credit-impaired but have subsequently become credit impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial assets in subsequent reporting period.

Credit-impaired financial assets are those in which the issuer or debtor has experienced significant financial difficulties or defaults, the debtor is likely to claim bankruptcy or other financial restructuring, or there is disappearance of an active market for the financial asset due to financial difficulties.

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

ii. Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Group has an irrevocable option to designate the investment in equity instruments that are not held-for-trading and not a contingent consideration recognized by the acquirer in a business combination, to be measured at fair value through other comprehensive income.

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

Dividends from investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed, unless such dividends clearly represent the recovery of a portion of the investment cost.

b) Impairment of financial assets

On each balance sheet date, the Group assesses the impairment loss on financial assets (including accounts receivable) at amortized cost on the basis of expected credit losses.

Accounts receivable are recognized as a loss allowance based on lifetime expected credit losses. For other financial instruments, a loss allowance for the 12-month expected credit losses shall be recognized for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses shall be recognized for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from a possible default event associated with a financial instrument within 12 months after the balance sheet date, while the lifetime expected credit loss represents the expected credit loss arising from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following circumstances represent default events on financial assets:

i. There is internal or external information indicating that it is impossible for the debtor to repay the debt.

ii. The underlying debt is considered overdue based on the Group’s payment terms, unless there is reasonable and supportable information indicating that a delayed basis of default is more appropriate.

The impairment loss of all financial assets is recognized based on the decrease in the carrying amounts in a loss allowance account.

c) Derecognition of Financial Assets

The Group derecognizes financial assets when the contractual rights to the cash inflow from the asset expire or when the Group transfers the financial assets and substantially all the risks and rewards of ownership to other enterprises.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. On derecognition of investments in equity instruments at fair value through other comprehensive income in its entirety, the cumulative gain or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized at the amount of proceeds received, net of the direct cost of issuance.

The repurchase of the Group’s own equity instruments is recognized in and deducted directly from equity, and the carrying amounts are calculated based on weighted average by share type and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

3) Financial liabilities

a) Subsequent Measurement

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

b) Derecognition of Financial Liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

l. Revenue Recognition

After the Group identifies its performance obligations in contracts with customers, it shall allocate the transaction prices to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

Revenue from the sale of goods
Sales of goods are recognized as revenue when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution as well as the selling price of the goods, has the primary responsibility for the sale of goods to future customers, and bears the risk of obsolescence. Trade receivables are recognized concurrently.

m. Leases

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

1) The Group as lessor

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

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

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

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

Right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments.

The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. Subsequently, lease liabilities are measured at amortized cost using the effective interest method with interest expense recognized over the lease term. If there is a change in a lease term or a change in future lease payments resulting from a change in the rate used to determine lease payments, the Group shall remeasure the lease liabilities and adjust the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets is already reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to a reduction in the scope of the lease reduces the right-of-use assets, and recognizes the profit or loss on the partial or full termination of the lease. The remeasurement of the lease liabilities due to other modifications adjusts the right-of-use assets. Lease liabilities are separately presented on the consolidated balance sheets.

The Group entered into rent concessions with the lessor as a direct consequence of the Covid-19 pandemic in order to change the lease payments originally due by June 30, 2022. There was no material change in other lease terms and conditions. The Group elects to adopt the practical expedient to all rent concessions; therefore, it does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss in the period in which the events or conditions that trigger the concession occur (other revenues shall be recorded in the account), and makes a corresponding adjustment to the lease liabilities.

n. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of such assets, until such time the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings used to finance qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

o. Government grants

Government grants are recognized only when they can be reasonably assured that the Group would comply with the conditions imposed by the government and that such grants could be received.

If the government grants are used to compensate for fees or losses incurred, or are given to the Group for the purpose of immediate financial support without related future costs, such grants may be recognized in profit or loss within the collection period.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service that entitles them to the said contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement plans are determined using the projected unit credit method. Service cost (including current service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred or settled. Remeasurement (including actuarial gains and losses, the effect of changes to the asset ceiling, and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur and included in retained earnings, and is not reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) represent the deficit (surplus) of the defined benefit pension plan. Net defined benefit assets shall not exceed the present value of the refund of contributions from the plan or the reduction in future contributions.

q. Taxation

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

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined under the applicable tax laws of each tax jurisdiction. According to the Income Tax Act of the ROC, an additional tax on unappropriated earnings is imposed in the year the shareholders approve to retain earnings.

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

2) Deferred tax

Deferred tax is recognized for all temporary differences between the carrying amount of an asset as well as liability and the corresponding tax base used in the computation of taxable profit.

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

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

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed on each balance sheet date to the extent that it is probable that sufficient taxable income will be available to recover all or part of the assets, with carrying amount increased.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year when the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management must make judgments, estimates and assumptions based on historical experience and other critical factors in related information that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when the estimates are revised if the revision affects only that period, or recognized in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of assumptions and estimation uncertainty - impairment of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business, less the estimated costs to completion, and less the estimated costs required for the sale. The estimation of net realizable value is based on current market conditions and historical experience with sales of similar products. Changes in market conditions may have critical impacts on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 1,716	$ 1,541
Checking accounts and demand deposits	686,039	587,072
Cash equivalents (Investments with original maturities of less than 3 months)		
Time deposits	42,987	-
	$ 730,742	$ 588,613

Interest rate ranges of demand deposit and time deposits at the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Demand deposit	0.05%～1.15%	0.001%～0.30%
Time deposits with original maturities of less than 3 months	3.10%	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2022	December 31, 2021
Non-current		
Investments in equity instruments		
Unlisted ordinary shares	$ 205,273	$ 100,674

In October 2022 and November 2021, the Group contributed to a cash capital increase for TIONG LIONG INDUSTRIAL CO., LTD. (TLI) at NT$15 per share, and acquired 2,066,000 shares with shareholding percentage of 13.52% on December 31, 2022 and 3,628,000 shares with shareholding percentage of 9.62% on December 31, 2021.

The Group invested in the aforementioned ordinary shares based on its medium-term and long-term strategies for making profit through long-term investment. The management chose to designate these investments to be measured at fair value through other comprehensive income because they believed 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.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
Current		
Restricted demand deposits	$ 29,863	$ 30,958
Pledged time deposits	17,000	17,106
Time deposits with original maturities of less than 3 months	-	17,276
	$ 46,863	$ 65,340
Non-current		
Restricted demand deposits	$ -	$ 16,640

The market rates of financial assets at amortized cost at the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Restricted demand deposits	0.20%～0.46%	0.01%～1.55%
Pledged time deposits	0.15%～1.20%	0.10%～0.57%
Time deposits with original maturities of less than 3 months	-	1.65%

Please refer to Note 24 for details on financial assets at pledged amortized cost.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
Notes receivable		
At amortized cost		
Gross carrying amount – non-related parties	$ 36,470	$ 99,511
Less: Allowance for impairment loss	(516)	(516)
	$ 35,954	$ 98,995
Gross carrying amount – related parties	$ 11,309	$ 17,896

(Continued)

	December 31, 2022	December 31, 2021
Accounts receivable		
At amortized cost		
Gross carrying amount – non-related parties	$ 358,544	$ 450,901
Less: Allowance for impairment loss	(4,449)	(5,515)
	$ 354,095	$ 445,386
Gross carrying amount – related parties	$ 46,909	$ 73,352

(Concluded)

In order to control credit risks, the Group has investigated its customers' operating status and financial position before accepting new customers. The investigation would evaluate and ensure the credit quality and capacity of customers, whose credit limit and rating are reviewed annually. In addition, the Group reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate allowance of impairment loss is made for account receivable from possible credit risks.

The Group recognizes loss allowance for accounts receivable based on lifetime expected credit losses, which would be referred to customers' default history, current financial position, and industry economics. However, the Group's experience shows that there is no significant difference in the loss patterns of different customer segments. Therefore, the Group sets expected credit losses rate based on the number of days past due.

The Group directly writes off accounts receivable when there is evidence indicating that the counterparty is experiencing severe financial difficulty and there is no realistic prospect of receivable recovery. The Group continues to engage in enforcement activities and recognizes receivable recovery in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group’s provision matrix:

December 31, 2022

	Number of days past due				
	Not past due	Past due within 60 days	Past due for 61～120 days	Past due over 121 days	Total
Gross carrying amount	$420,967	$15,423	$15,810	$ 1,032	$453,232
Loss allowance (Lifetime expected credit losses)	(2,136)	(2,379)	(215)	(235)	(4,965)
Amortized cost	$418,831	$13,044	$15,595	$ 797	$448,267

December 31, 2021

	Number of days past due				
	Not past due	Past due within 60 days	Past due for 61～120 days	Past due over 121 days	Total
Gross carrying amount	$594,487	$20,843	$21,362	$ 4,968	$641,660
Loss allowance (Lifetime expected credit losses)	(4,256)	(327)	(584)	(864)	(6,031)
Amortized cost	$590,231	$20,516	$20,778	$ 4,104	$635,629

Changes in loss allowances for notes receivable and accounts receivable are as follows:

	2022	2021
Balance at the beginning of year	$ 6,031	$ 4,514
Add: (Reversal) Provision for impairment loss in the year	(1,102)	1,533
Less: Amounts written off	-	(5)
Foreign exchange translation gains and losses	36	(11)
Balance at the end of year	$ 4,965	$ 6,031

10. INVENTORIES

	December 31, 2022	December 31, 2021
Raw materials and supplies	$ 213,025	$ 246,665
Work-in-process and semi-finished goods	158,199	138,219
Finished goods	102,772	91,041
Merchandise	37,782	40,284
	$ 511,778	$ 516,209

For the years ended December 31, 2022 and 2021, the operating costs related to inventories were NT$2,262,133 thousand and NT$2,485,138 thousand, respectively. For the years ended December 31, 2022 and 2021, the operating costs included inventory write-downs amounting to NT$23,936 thousand and NT$2,823 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the following subsidiaries:

			The proportion of the ownership		
Investor Company	Investee Company	Main Businesses	December 31, 2022	December 31, 2021	Remark
Nam Liong Global Corporation	GREENCHEM INTERNATIONAL CO., LTD. (GREENCHEM)	Chemical product	100.00%	100.00%	-
Nam Liong Global Corporation	PROLINK INTERNATIONAL (HONG KONG) CO., LIMITED (PROLINK HONG KONG)	Holding and investment	-	-	(1)
Nam Liong Global Corporation	ELEMENTECH INTERNATIONAL CO., LTD. (ELEMENTECH)	Electronic products trading	100.00%	100.00%	(2)
Nam Liong Global Corporation	NAM LIONG INTERNATIONAL INVESTMENT & HOLDING CORP. (CAYMAN NAM LIONG)	Holding and investment	100.00%	100.00%	(4)
Nam Liong Global Corporation	SPEEDBEST INTERNATIONAL LIMITED (SPEEDBEST INTERNATIONAL)	Holding and investment	100.00%	100.00%	(4)
Nam Liong Global Corporation	NAM LIONG ENTERPRISE CO., LTD. (VIETNAM NAM LIONG)	Textile products (downstream)	100.00%	100.00%	(5)
GREENCHEM	GREENCHEM International Shanghai Co., Ltd. (GREENCHEM)	Chemical product	100.00%	100.00%	-
ELEMENTECH INTERNATIONAL	ELEMENTECH (HONG KONG) LIMITED (ELEMENTECH HONG KONG)	Holding and investment	100.00%	100.00%	(3)
ELEMENTECH HONG KONG	SUZHOU GREATSUN ELECTRONICS ELECTRONICS & COMMUNICATIONS CO., LTD. (SUZHOU GREATSUN ELECTRONICS)	Electronic products trading and manufacturing	100.00%	100.00%	(3)
SPEEDBEST INTERNATIONAL	JIAXING NANXIONG POLYMER CO., LTD. (JIAXING NANXIONG)	Textile products (downstream)	100.00%	100.00%	(4)
CAYMAN NAM LIONG and SPEEDBEST INTERNATIONAL	DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD. (DONG GUAN NAMLIONG)	Textile products (downstream)	100.00%	100.00%	(4)

1) On November 2019, the Company's board of directors decided to liquidate PROLINK HONG KONG. The remaining NT$16,576 thousand worth of liquidation funds were returned in February 2021, and the liquidation procedures were completed in October 2021.

2) ELEMENTECH INTERNATIONAL's board of directors decided to implement a capital reduction of NT$13,878 thousand to offset deficits, and issued ordinary shares for NT$60,000 thousand with a par value of $10, which were fully subscribed by the Company. The subscription base date was determined on November 18, 2021.

3) To implement its management strategies and establish a complete supply chain, ELEMENTECH INTERNATIONAL made an indirect investment for 100% shares (i.e., US$1,000 thousand in March 2014, US$500 thousand in June 2022, and US$500 thousand in July 2022) through ELEMENTECH HONG KONG's direct investment in SUZHOU GREATSUN ELECTRONICS, whose main business is electronic product manufacturing.

4) As of December 31, 2022, the Company remitted US$1,890 thousand from Cayman Nam Liong and US$761 thousand from SPEEDBEST INTERNATIONAL as indirect investments in DONG GUAN NAMLIONG for 70% and 30% equity holding in DONG GUAN NAMLIONG, respectively, totaling 100%. In addition, the Company remitted US$8,583 thousand from SPEEDBEST INTERNATIONAL for 100% equity holding in JIAXING NANXIONG.

5) As of December 31, 2022, the Company holds 100% equity in VIETNAM NAM LIONG with US$1,600 thousand in accumulated investment amount.

12. PROPERTY, PLANT AND EQUIPMENT

	2022					
	Balance at the beginning of year	Additions	Reductions	Reclassifications	Effects of foreign currency exchange differences	Balance at the end of year
Cost						
Land	$ 243,715	$ -	$ -	$ -	$ -	$ 243,715
Buildings	549,139	13,363	(2,709)	180,258	667	740,718
Machinery equipment	777,982	33,176	(10,132)	-	4,432	805,458
Transportation equipment	41,375	6,208	(2,949)	-	210	44,844
Miscellaneous equipment	200,378	18,250	(7,026)	363	544	212,509
Leasehold improvements	8,919	2,112	-	-	132	11,163
Construction in progress and equipment under installation	201,725	24,355	-	(197,382)	20	28,718
	2,023,233	$ 97,464	($ 22,816)	($ 16,761)	$ 6,005	2,087,125
Accumulated depreciation and impairment						
Buildings	214,921	$ 28,857	($ 2,697)	$ -	$ 685	241,766
Machinery equipment	604,383	30,093	(10,083)	-	2,715	627,108
Transportation equipment	31,882	2,804	(2,912)	-	134	31,908
Miscellaneous equipment	107,061	15,029	(6,994)	-	364	115,460
Leasehold improvements	5,830	841	-	-	84	6,755
	964,077	$ 77,624	($ 22,686)	$ -	$ 3,982	1,022,997
Net	$1,059,156					$1,064,128

	2021						
	Balance at the beginning of year	Additions	Reductions	Reclassifications	Transferred from non-current assets held for sale	Effects of foreign currency exchange differences	Balance at the end of year
Cost							
Land	$163,255	$ 80,460	$ -	$ -	$ -	$ -	$ 243,715
Buildings	527,711	22,195	(168)	-	-	(599)	549,139
Machinery equipment	784,690	25,738	(38,285)	8,026	-	(2,187)	777,982
Transportation equipment	41,546	3,697	(3,766)	-	-	(102)	41,375
Miscellaneous equipment	182,330	7,948	(1,109)	-	11,464	(255)	200,378
Leasehold improvements	5,325	-	-	3,632	-	(38)	8,919
Construction in progress and equipment installation	156,786	49,626	-	(3,544)	-	(1,143)	201,725
	1,861,643	$189,664	($ 43,328)	$ 8,114	$ 11,464	($ 4,324)	2,023,233
Accumulated depreciation and impairment							
Buildings	193,924	$ 21,486	($ 168)	$ -	$ -	($ 321)	214,921
Machinery equipment	611,498	28,876	(34,475)	-	-	(1,516)	604,383
Transportation equipment	33,398	2,228	(3,658)	-	-	(86)	31,882
Miscellaneous equipment	92,993	13,690	(1,045)	-	1,579	(156)	107,061
Leasehold improvements	5,325	545	-	-	-	(40)	5,830
	937,138	$ 66,825	($ 39,346)	$ -	$ 1,579	($ 2,119)	964,077
Net	$924,505						$ 1,059,156

The Group did not implement an impairment evaluation because there were no signs of impairment in 2022 and 2021.

The Group's property, plant and equipment were depreciated on a straight-line basis over their estimated useful life, as shown below:

Buildings	
Main buildings	18~50 years
Plant maintenance and improvements	25~40 years
Others	3~20 years
Machinery equipment	1~31 years
Transportation equipment	2~10 years
Miscellaneous equipment	1~20 years

Please refer to Note 24 for details on property, plant and equipment pledged as collateral for bank borrowings.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amount of right-of use assets		
Land	$ 60,149	$ 63,393
Buildings	150,517	175,639
Transportation equipment	1,484	2,974
	$ 212,150	$ 242,006

	2022	2021
Additions to right-of-use assets	$ 2,342	$ 4,319
Depreciation of right-of-use assets		
Land	$ 3,763	$ 3,519
Buildings	29,853	28,511
Transportation equipment	1,490	1,338
	$ 35,106	$ 33,368

Except for the aforementioned additions and depreciation expenses, no significant subleasing and impairment loss of the right-of-use assets were recorded in 2022 and 2021.

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 30,114	$ 30,795
Non-current	$ 153,453	$ 179,341

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Land	1.59%～2.19%	1.59%
Buildings	1.59%～3.08%	1.59%～3.08%
Transportation equipment	1.75%～2.21%	1.75%～2.21%

c. Material lease activities and terms

1) The Group leases certain land, buildings and transportation equipment for manufacturing and operations with lease terms of 2 to 20 years.

2) Due to the severe impact of COVID-19 on the market economy, the Group was aware of the importance of rent concessions and negotiated these with the lessor, amounting to NT$26 thousand as other income for the month under rent concessions in 2021 (2022: none).

d. Other lease information

	2022	2021
Expenses related to short-term leases	$ 10,781	$ 11,898
Expenses related to low-value asset leases	$ 1,434	$ 1,416
Expenses related to variable lease payments not included in the measurement of lease liabilities	$ 198	$ 208
Total cash outflow for leases	$ 49,674	$ 46,132

e. The Group leases certain buildings, transportation equipment as well as parking spaces which qualify as short-term leases and certain office equipment which qualify as low-value asset leases. The Group does not recognize related right-of-use assets and lease liabilities for such leases.

Please refer to Note 24 and 25 for details on right-of-use assets pledged as collateral for bank borrowings.

14. Goodwill

	2022	2021
Cost		
Balance, beginning of the year and end of the year	$ 112,610	$ 112,610
Accumulated impairment loss		
Balance, beginning of the year and end of the year	(23,797)	(23,797)
Net, end of the year	$ 88,813	$ 88,813

Goodwill of the Group is resulted from merging subsidiary GREENCHEM. At the time of impairment testing, goodwill is allocated to the minimum cash-generating units as follows:

Chemical product－GREENCHEM

The recoverable amount is estimated on the basis of value in use for goodwill impairment testing in 2022 and 2021, and the key assumption used are as follows:

a. Each of the cash-generating units approved by the management on assessment date shall be the estimated expected cash flow in accordance with financial forecasts in the next 5 years.
b. Cash flows beyond the five-year period is extrapolated using the stable growth rates 2%, which is adjusted by referring to macroeconomic growth rate.
c. The discount rates used in 2022 and 2021 were respectively 7.03% and 6.99%, and reflected the market's evaluation of time value of money and relevant risks.

After evaluating in 2022 and 2021, the recoverable amount exceeded carrying amount evaluated, therefore goodwill was not impaired.

15. BORROWINGS

a. Short-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings		
Bank loans	$ 362,143	$ 376,816
Unsecured borrowings		
Credit limit borrowings	-	43,190
	$ 362,143	$ 420,006

The market rates of the short-term borrowings at the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Bank loans	1.76%～3.11%	0.89%～2.37%
credit limit borrowings	-	4.35%

Short-term borrowings are pledged with bank deposits and time deposits, and joint and several guarantees are signed by chairman as well as directors. Please refer to Note 24 for details on short-term borrowings.

b. Short-term notes and bills payable

	December 31, 2022		December 31, 2021	
	Interest rate	Amount	Interest rate	Amount
Commercial paper payable	1.82%	$ 30,000	0.86%	$ 30,000
Less: Unamortized discount on notes and bills payable		(129)		(46)
		$ 29,871		$ 29,954

Joint and several guarantees of issued commercial paper are signed by chairman as well as directors.

c. Long-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings	$ 676,845	$ 724,112
Long-term borrowings, current portion	(220,607)	(113,836)
	$ 456,238	$ 610,276

	December 31, 2022	December 31, 2021
Maturity	2025~2036	2022~2036
Interest Rate	1.93%～2.97%	1.45%～2.09%

1) Joint and several guarantees of long-term borrowings from Bank of Panhsin and Bank of Kaohsiung Co., Ltd. are signed by the chairman of the Company.

2) Joint and several guarantees of long-term borrowings from Land Bank of Taiwan are signed by the chairman and chief strategy officer of the Company.

3) In September 2020, the Company entered into syndicated credit facility agreements, which are jointly and severally guaranteed by the chairman as well as chief strategy officer of the Company and ZI LIONG ENTERPRISE CO., LTD., and guaranteed with assets held by the Company and the Company's chairman. Due to other financial considerations, the Company canceled NT$50,000 thousand of credit facility of Tranche C in August 2022 while the original syndicated credit facility was NT$900,000 thousand, and has utilized the credit facility in November 2020.

4) Joint and several guarantees of GREENCHEM's long-term borrowings from Bank of Taiwan are signed by the chairman of the Company.

Please refer to Note 24 and 25 for details on pledged long-term borrowings.

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, GREENCHEM and ELEMENTECH INTERNATIONAL adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company, GREENCHEM, and ELEMENTECH INTERNATIONAL make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Subsidiaries located in Mainland China are required by law to set aside endowment insurance, which is a defined contribution plan.

b. Defined benefit plans

The defined benefit plan adopted by NAM LIONG ENTERPRISE CO., LTD.. in accordance with the Labor Standards Act is managed by the government. Pension benefits are calculated based on the period of service and average monthly salaries for 6 months prior to the approved retirement date. NAM LIONG ENTERPRISE CO., LTD.. contributes an amount equal to 10% of the total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee, and the pension fund is deposited to a specific account at the Bank of Taiwan under the name of the committee. Before the end of each year, if the balance in the pension fund is insufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit shall be made for the difference before the end of next March. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Group has no right to influence the investment and administration strategies. In 2020, NAM LIONG ENTERPRISE CO., LTD.. settled the job tenure of employees who were eligible for the defined benefit retirement plans, and applied for closing asset of the plans in the specific account at the Bank of Taiwan in 2021. A deposit shall be made to offset the difference of NT$1,513 thousand, which was recognized as pension expense in 2021.

GREENCHEM launched a retirement plan for appointed managers, whose pension is calculated based on the period of service and average monthly salaries for 6 months before the retirement date. Appointed managers are entitled to 2 base points for every year of service for the first 15 years, and 1 base point for each additional year thereafter, up to a maximum of 45 base points.

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

	December 31, 2022	December 31, 2021
Net defined benefit liabilities	$ 9,065	$ 9,136

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit plans	Fair value of plan assets	Net defined benefit liabilities
BALANCE AT JANUARY 1, 2021	$ 9,171	$ -	$ 9,171
Service cost			
Current service cost	230	-	230
Interest expense	18	-	18
Recognized in profit or loss	248	-	248
Remeasurement			
Actuarial loss - changes in demographic assumptions	4	-	4
Actuarial gain - changes in financial assumptions	(132)	-	(132)
Actuarial gain - experience adjustments	(155)	-	(155)
Recognized in other comprehensive income	(283)	-	(283)
BALANCE AT DECEMBER 31, 2021	9,136	-	9,136
Service cost			
Current service cost	224	-	224
Interest expense	49	-	49
Recognized in profit or loss	273	-	273
Remeasurement			
Actuarial loss - changes in demographic assumptions	-	-	-
Actuarial gain - changes in financial assumptions	(179)	-	(179)
Actuarial gain - experience adjustments	(165)	-	(165)
Recognized in other comprehensive income	(344)	-	(344)
BALANCE AT DECEMBER 31, 2022	$ 9,065	$ -	$ 9,065

Defined benefit plans were recognized in profit or loss by category, as shown below:

	2022	2021
Operating expenses	$ 273	$ 1,761

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

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

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

3) Salary risk: The present value of the defined benefit plans is calculated based on the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the present value of the defined benefit plans.

The actuarial valuations of the present value of the defined benefit plans were carried out by qualified actuaries. The principal assumptions of the actuarial valuation are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.15%	0.55%
Expected salary increase rate	2.00%	2.00%

If there is a possible reasonable change in each of the significant actuarial assumptions, while all other assumptions remain constant, the present value of defined benefit plans would increase (decrease) as follows:

	December 31, 2022	December 31, 2021
Discount rate		
0.25% increase	($ 73)	($ 94)
0.25% decrease	$ 74	$ 95
Expected salary increase rate		
0.25% increase	$ 73	$ 93
0.25% decrease	($ 73)	($ 92)

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

	December 31, 2022	December 31, 2021
Average duration of the defined benefit plans	3 years	4 years

17. EQUITY

a. Share capital

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Issued and paid shares (in thousands)	122,392	122,392
Issued capital	$ 1,223,923	$ 1,223,923

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

ZI LIONG ENTERPRISE CO., LTD., the Company's main shareholder, acquired 72,000,000 shares through private placement at NT$612,000 thousand. As of December 31, 2022, the Company has accumulated 72,000,000 private placements, and the effective registration for supplemental public issuance of securities through private placement was authorized by a competent authority on October 27, 2022.

b. Capital surplus

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital	$ 32,321	$ 32,321
May be used to offset a deficit only		
Changes in percentage of ownership interests in subsidiaries (2)	25,300	25,300
	$ 57,621	$ 57,621

1) Such capital surplus may be used to offset a deficit. If the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, but only to a certain percentage of the Company's capital surplus and once a year.

2) Such capital surplus arises from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy set forth in the Articles of Incorporation, if the Company makes a profit in a fiscal year, the profit shall first be used to pay taxes, offset losses in previous years, allocate 10% of the remaining profit as legal reserve, and set aside or reverse a special reserve in accordance with the law and regulations. Moreover, the Company's board of directors shall use any remaining profit together with undistributed retained earnings as a basis for proposing a distribution plan (i.e., distribution of dividends and bonuses to shareholders), which shall be resolved at the shareholders' meeting. For policies provided in the Articles of Incorporation with regard to the distribution of employee compensation and remuneration of directors and supervisors, please refer to the employee compensation and remuneration of directors and supervisors in Note 18 (g).

The dividend distribution policy should reflect factors such as current and future investment environment, fund requirements, domestic and international competition, capital expenditure requirements, and sound financial planning of the Company for sustainable development. The total stock dividends to be distributed shall be no less than 10% of the distributable surplus, less the retained earnings subject to annual overall operational performance. Dividends shall be distributed in the form of cash as the first priority, and shall be no less than 10% of the total amount of dividends to be distributed. The remaining dividends shall be distributed in the form of stocks. However, if cash dividends are lower than NT$0.1 per share, stock dividends will not be issued.

The appropriation of earnings to a 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.

On August 6, 2021, the shareholders amended the Articles of Incorporation to appropriate a special reserve from the balance of retained earnings in the prior period against the full amount of "the cumulative net increases in fair value of investment properties in the prior period" and "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings in the prior period is not enough for such appropriation, the Group should further compensate for the gap using the net profit after tax and the balances of other equity items in the current period. Before amending its Articles of Incorporation, the Company appropriated from retained earnings of the previous period in accordance with the law.

Offsetting against accumulated deficit for 2020 was approved at the shareholders' meeting in August, 2021. The profit in 2020 was NT$66,465 thousand and accumulated deficit was NT$4,512 thousand.

The appropriation of earnings for 2021 was approved at the Company's general meeting of shareholders on June 23, 2022. The appropriation and dividends per share were as follows:

	2021
Legal reserve	$ 14,597
Cash dividends	$ 73,435
Cash dividends per share	$ 0.60

The appropriation of earnings for 2022 was approved at the Board of Directors' meeting on March 29, 2023. The appropriation and dividends per share were as follows:

	2022
Legal reserve	$ 17,789
Cash dividends	$ 79,555
Cash dividends per share	$ 0.65

The other appropriations of earnings for 2022 will be approved at the shareholders' meeting in June, 2023 (expected).

18. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	2022	2021
Energy sales revenue	$ 6,249	$ 2,601
Rental revenue	4,023	3,909
Service revenue	3,560	4,320
Grants income	900	8,267
Others	14,342	13,593
	$ 29,074	$ 32,690

Grant income comes primarily from government grants for industry–academia collaboration.

b. Foreign exchange gains or losses

	2022	2021
Foreign exchange gains	$ 74,809	$ 15,726
Foreign exchange losses	(21,962)	(28,150)
Profit or loss	$ 52,847	($ 12,424)

c. Financial costs

	2022	2021
Interest on bank loans	$ 23,935	$ 20,034
Interest on lease liabilities	5,652	5,887
Other financial costs	1,083	1,301
	$ 30,670	$ 27,222

d. Other gains and losses

	2022	2021
Gains (losses) on disposal of property, plant and equipment	$ 961	($ 2,206)
Losses on disposal of intangible assets	(45)	-
Losses on liquidation of subsidiaries using equity method	-	(4,143)
	$ 916	($ 6,349)

e. Depreciation and amortization

	2022	2021
Property, plant and equipment	$ 77,624	$ 66,825
Right-of-use assets	35,106	33,368
Intangible assets	1,060	877
Total	$ 113,790	$ 101,070

	2022	2021
Analysis of depreciation by function		
Operating Costs	$ 53,682	$ 51,595
Operating expenses	59,048	48,598
	$ 112,730	$ 100,193
Analysis of amortization by function		
Operating Costs	$ 176	$ 176
Operating expenses	884	701
	$ 1,060	$ 877

f. Employee benefit expenses

	2022	2021
Post-employment benefits		
Defined contribution plans	$ 15,720	$ 15,347
Defined benefit plans	273	1,761
	15,993	17,108
Salaries	577,679	580,570
Other personnel expenses	58,506	54,681
Total	$ 652,178	$ 652,359

(Continued)

	2022	2021
Analysis of employee benefits expense by function		
Operating Costs	$ 272,276	$ 274,061
Operating expenses	379,902	378,298
	$ 652,178	$ 652,359

(Concluded)

g. Remuneration of employees, directors and supervisors

The Company allocated compensation for employees and remuneration for directors ranging from 2%-20% and no higher than 2%, respectively, of net profit before tax for each category (i.e., employees and directors/supervisors).

For the years ended December 31, 2022 and 2021, the estimated employee compensation and remuneration of directors and supervisors resolved by the board of directors on March 29, 2023 and March 23, 2022, respectively, were as follows:

Accrual Rate

	2022	2021
Employee compensation	7.29%	7.93%
Remuneration of directors and supervisors	1.25%	1.20%

Amount

	2022	2021
	Cash	Cash
Employee compensation	$ 14,590	$ 13,275
Remuneration of directors and supervisors	2,500	2,000

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

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

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

19. INCOME TAXES RELATED TO CONTINUING OPERATIONS

a. Income tax expense recognized in profit or loss

Major components of income tax expense recognized in profit or loss are as follows:

	2022	2021
Current tax		
In respect of the current year	$ 11,440	$ 20,224
Prior year adjustments	(26)	7,601
	11,414	27,825
Deferred tax		
In respect of the current year	2,435	(1,987)
Prior year adjustments	31	-
	2,466	(1,987)
Income tax expense recognized in profit or loss	$ 13,880	$ 25,838

A reconciliation of accounting income and income tax expense as well as tax rate is shown below:

	2022	2021
Income before tax from continuing operations	$ 191,499	$ 176,093
Income tax expense calculated at statutory rate	$ 49,187	$ 46,367
Nondeductible items in determining taxable income	(13,038)	(5,069)
Tax-exempt income	-	(14,784)
Unrecognized deficit reduction	(22,358)	(8,331)
Non-deductible expenses in determining taxable income	84	54
Prior year adjustments	5	7,601
Income tax expense recognized in profit or loss	$ 13,880	$ 25,838

b. Income tax expense recognized in other comprehensive income

	2022	2021
Deferred tax		
In respect of the current year		
－Translation of foreign operations	$ 555	$ 613
－Defined benefit plans	69	57
	$ 624	$ 670

c. Current tax assets and liabilities

	December 31, 2022	December 31, 2021
Current tax assets		
Tax refund receivables	$ 1,857	$ 223
Current tax liabilities		
Income tax payable	$ 11,451	$ 8,168

d. Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2022

Deferred tax assets	Balance at the beginning of year	Profit or Loss	Other Comprehensive Income	Exchange differences	Balance at the end of year
Temporary differences					
Payables for annual leave	$ 982	($ 51)	$ -	$ -	$ 931
Inventory write-down	3,202	2,344	-	-	5,546
Excess of accrual pension	836	54	-	-	890
Defined benefit retirement plans	918	-	(69)	-	849
Losses on investments accounted for using the equity method	3,911	2,582	-	-	6,493
Deficit reduction	7,733	(7,733)	-	-	-
Exchange differences on translation of foreign operations	1,593	-	(586)	-	1,007
Others	1,052	(278)	-	-	774
	$ 20,227	($ 3,082)	($ 655)	$ -	$ 16,490

Deferred tax liabilities	Balance at the beginning of year	Profit or Loss	Other Comprehensive Income	Exchange differences	Balance at the end of year
Temporary differences					
Exchange differences on translation of foreign operations	($ 377)	$ -	$ 31	$ -	($ 346)
Depreciation of property, plant and equipment	(113)	-	-	(1)	(114)
Gains on investments accounted for using the equity method	(10,106)	1,387	-	-	(8,719)
Unrealized exchange gains	(299)	(771)	-	-	(1,070)
	($ 10,895)	$ 616	$ 31	($ 1)	($ 10,249)

2021

Deferred tax assets	Balance at the beginning of year	Profit or Loss	Other Comprehensive Income	Exchange differences	Balance at the end of year
Temporary differences					
Payable for annual leave	$ 720	$ 262	$ -	$ -	$ 982
Inventory write-down	3,578	(376)	-	-	3,202
Excess of accrual pension	786	50	-	-	836
Defined benefit retirement plans	975	-	(57)	-	918
Losses on investments accounted for using the equity method	2,539	1,372	-	-	3,911
Deficit reduction	7,733	-	-	-	7,733
Exchange differences on translation of foreign operations	2,196	-	(603)	-	1,593
Others	872	180	-	-	1,052
	$ 19,399	$ 1,488	($ 660)	$ -	$ 20,227

Deferred tax liabilities	Balance at the beginning of year	Profit or Loss	Other Comprehensive Income	Exchange differences	Balance at the end of year
Temporary differences					
Exchange differences on translation of foreign operations	($ 367)	$ -	($ 10)	$ -	($ 377)
Depreciation of property, plant and equipment	(133)	19	-	1	(113)
Gains on investments accounted for using the equity method	(10,421)	315	-	-	(10,106)
Unrealized exchange gains	(464)	165	-	-	(299)
	($ 11,385)	$ 499	($ 10)	$ 1	($ 10,895)

e. As of the end of 2021, the amount of unused deficit reduction for which no deferred assets have been recognized in the consolidated balance sheets was NT$97,830 thousand (As of the end of 2022: none). As of the end of 2021, the amount of unrecognized deductible temporary differences was NT$65,019 thousand (As of the end of 2022: none).

f. Income tax examination
Tax authorities have examined income tax returns of the Company, ELEMENTECH INTERNATIONAL, and GREENCHEM until 2020.

g. Income tax related to subsidiaries:

1) Applicable tax rate of subsidiaries in Mainland China is 25%;

2) For other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

20. EARNINGS PER SHARE

EPS is computed as follows:

	Amount (Numerator)	Number of Shares (Denominator)	Earnings Per Share
	After Income Tax	(In Thousands)	After Income Tax (In Dollars)
Year Ended December 31, 2022			
Basic EPS			
Net income available to common shareholders	$ 177,619	122,392	$ 1.45
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	1,003	
Diluted EPS			
Net income available to common shareholders	$ 177,619	123,395	$ 1.44
Year Ended December 31, 2021			
Basic EPS			
Net income available to common shareholders	$ 150,255	122,392	$ 1.23
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	633	
Diluted EPS			
Net income available to common shareholders	$ 150,255	123,025	$ 1.22

Since offering to settle the compensation for employees in cash or shares, the Company assumed that the entire amount was settled in the form of shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, given that the effect was dilutive. Such dilutive effect of potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved the following year.

21. CAPITAL MANAGEMENT

The Group manages its capital to ensure its long-term while maximizing returns for shareholders. It must remain its capital to support expansion requirements as well as plant and equipment improvements. Therefore, the Group manages its capital to ensure that entities in the Group will be able to meet capital expenditures, research and development expenses, debt repayment, distribution of dividend, etc. for the next 12 months.

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

Financial assets and financial liabilities held by the Group are measured at amortized cost, and the management of the Group believes that the carrying amounts of financial assets and financial liabilities are close to their fair value.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Unlisted ordinary shares	$ -	$ -	$205,273	$205,273

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Unlisted ordinary shares	$ -	$ -	$100,674	$100,674

In 2022 and 2021, there were no transfers between Level 1 and Level 2.

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

Financial assets at fair value through other comprehensive income－equity instrument

	2022	2021
Balance at the beginning of year	$ 100,674	$ -
Purchase	30,985	54,419
Recognized in other comprehensive income (Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income)	73,614	46,255
Balance at the end of year	$ 205,273	$ 100,674

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair value of unlisted equity securities was determined using the market approach. In this approach, the fair value of unlisted securities was determined based on the share price of comparable companies in an active market, price value multiplier and other related information, where the significant unobservable input used is the discount for lack of marketability.

If the discount for lack of marketability applied to the valuation model was changed to reflect a reasonably possible alternative assumption while all other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	December 31, 2022	December 31, 2021
Discount for lack of marketability		
10% increase	($ 67,751)	($ 4,300)
10% decrease	($ 55,436)	$ 4,331

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
At amortized cost (1)	$ 1,244,104	$ 1,337,453
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	205,273	100,674
Financial liabilities		
At amortized cost (2)	1,470,332	1,700,613

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost (including current and non-current), and paid guarantee deposits.
2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term notes and bills payable, notes payable (including related parties), accounts payable (including related parties), other accounts payable (including related parties), long-term borrowings (including current portion), and guarantee deposits received.

d. Financial risk management objectives and policies

The Company manages its exposure to risks related to its operations such as foreign currency risk, interest rate risk, credit risk, and liquidity risk by reducing potentially adverse effects that market uncertainties may have on its financial performance.

The significant financial activities of the Group are reviewed by the board of directors in accordance with relevant regulations or internal controls. During the implementation of such financial plans, the Group must comply with relevant financial risk control procedures and accountability principles. Compliance with policies and exposure limits is continuously reviewed by internal auditors. The Group did not enter into or trade financial instruments (including derivative financial instruments) for speculative purposes.

1) Market risk

Business activities have primarily exposed the Group to foreign exchange risk (refer to “a)” below) and interest rate risk (refer to “b)” below):

Risk exposure in relation to the Group's financial instruments, management, and measurement methods remains unchanged.

a) Foreign currency risk

Foreign currency sales and purchases exposed the Group to foreign currency risk. In order to avoid the impact of changes in foreign exchange rates, which lead to deductions in foreign currency denominated assets and fluctuations in its future cash flows, the Group maintains a balance of hedged net foreign currency denominated assets and liabilities. In 2022 and 2021, approximately 74.72% and 66.74% of the Group’s sales revenue were not denominated in functional currency, respectively.

For the carrying amount of the Group’s monetary assets and liabilities denominated in currencies other than the functional currency on the balance sheet date, please refer to Note 28.

Sensitivity analysis

The Group is mainly exposed to U.S. dollar fluctuations.

If there was a 1% strengthening/weakening of the functional currency against the USD, the net income before tax for the years ended December 31, 2022 and 2021 would have decreased/increased by NT$4,493 thousand and NT$5,503 thousand, respectively.

Management believes that the sensitivity analysis was not representative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group was exposed to cash flow risk of interest rate fluctuations for floating interest-bearing financial assets and financial liabilities. The management of the Group regularly monitors market interest rate fluctuations and reconciles financial liabilities at a floating interest rate to make the Group's interest rate close to market interest rates so as to mitigate risks of market interest rate fluctuations.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
－Financial assets	$ 59,987	$ 34,382
－Financial liabilities	225,581	351,546
Cash flow interest rate risk		
－Financial assets	714,430	631,893
－Financial liabilities	1,026,845	1,032,662

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Group were all measured at amortized cost, so they were not included in the analysis. For financial assets and liabilities at floating interest rates, it was assumed in the analysis that they were outstanding throughout the reporting period if outstanding on the balance sheet date. The 0.25% increase or decrease in interest rate was used to report on reasonably possible change in interest rate to key management. If all other variables were held constant and interest rates had been 0.25% higher or lower, the Group's profit before tax for the years ended December 31, 2022 and 2021 would have decreased or increased by NT$781 thousand and NT$1,002 thousand, respectively.

2) Credit risk

Credit risk refers to the risk of financial loss incurred by the Group due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the Group's maximum exposure to credit risk, which would cause financial loss due to failure of counterparties to meet their obligations and financial guarantees provided by the Group (i.e., the maximum irrevocable exposure excluding collaterals or other credit enhancement tools), could arise from:

a) The carrying amount of recognized financial assets stated in the consolidated balance sheets.

b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

Under this policy, each customer is analyzed individually based on financial situation, internal credit rating, historical trading record, and current economic condition which may affect the customer’s ability to pay. In addition, some credit enhancement tools, such as advance sales receipts, are adopted at the appropriate time to reduce the credit risk of specific customers.

The Group has accounts receivable from a wide range of customers belonging to different industries and regions. It continues to evaluate the financial position of its customers.

As of December 31, 2022, and 2021, five major customers account for 28% and 20% of the Group's accounts receivable, respectively, and the credit concentration risk of other accounts receivable is insignificant.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance its 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.

a) Liquidity and interest rate 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 repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities, including principal and interest, from the earliest date on which the Group would be required to pay. Specifically, bank loans with a repayment on demand clause were included 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 repayment dates.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 ~ 3 Months	3 Months ~ 1 Year	Over 1 Year
Non-derivative financial liabilities					
Non-interest-bearing liabilities	-	$292,281	$ 70,219	$ 38,797	$ -
Lease liabilities	2.73%	5,096	6,617	22,974	165,729
Fixed interest rate liabilities	1.82%～3.11%	35,201	7,208	11	-
Floating interest rate liabilities	1.76%～2.97%	56,037	81,405	403,432	551,170
		$388,615	$165,449	$465,214	$716,899

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1 ~5 Years	5 ~10 Years	10 ~15 Years	15 ~20 Years	20+ Years
Lease liabilities	$34,687	$ 110,527	$46,348	$ 8,548	$ 306	$ -

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 ~ 3 Months	3 Months ~ 1 Year	Over 1 Year
Non-derivative financial liabilities					
Non-interest-bearing liabilities	-	$289,779	$180,367	$ 56,223	$ -
Lease liabilities	2.65%	4,977	6,427	24,769	195,860
Fixed interest rate liabilities	0.86%～4.35%	30,164	18,526	63,419	-
Floating interest rate liabilities	0.89%～2.19%	25,660	118,709	323,459	657,966
		$350,580	$324,029	$467,870	$853,826

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1 ~5 Years	5 ~10 Years	10 ~15 Years	15 ~20 Years	20+ Years
Lease liabilities	$ 36,173	$120,678	$ 64,890	$ 8,415	$ 1,877	$ -

b) Financing facilities

Use of bank facility at the balance sheet date of the Group is shown below:

	December 31, 2022	December 31, 2021
Unsecured bank borrowing facilities		
－Amount used	$ -	$ 43,190
－Amount unused	-	-
	$ -	$ 43,190
Secured bank borrowing facilities		
－Amount used	$ 1,068,988	$ 1,130,928
－Amount unused	618,252	542,878
	$ 1,687,240	$ 1,673,806

As of December 31, 2022, the Group's operating funds are sufficient to fulfill all obligations. Therefore, management believes that the Group has no significant exposure to liquidity risk.

23. TRANSACTIONS WITH RELATED PARTIES

Transactions, balances, income and expenses between the Group and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed in other notes, details on transactions between the Group and other related parties are disclosed below:

a. Names and categories of related parties

Related Party Name	Related Party Categories
Shao, Ten-Po	Chairman of the Company
Great Industries Corp.（G.I.C.）	Related party in substance
GREENRAYS INTERNATIONAL CO., LTD. (GREENRAYS)	Related party in substance
U-LONG HIGH-TECH TEXTILE CO., LTD. (U-LONG)	Related party in substance
TIONG LIONG INDUSTRIAL CO., LTD. (TLI)	Related party in substance
EARS MANAGEMENT & CONSULTANT COMPANY (EARS)	Related party in substance
ETERNALCARE BUSINESS LTD. (ETERNALCARE)	Related party in substance
AGRO-GREEN INTERNATIONAL CO., LTD. (AGRO-GREEN)	Related party in substance
HUI LIANG INDUSTRIAL CO., LTD. (HUI LIANG)	Related party in substance
Jiafeng Maoliang Investment Co., Ltd. (Jiafeng Maoliang)	Related party in substance
Fu Qing Tong Liong weaving Co.,Ltd. (China) (Fu Qing Tong Liong)	Related party in substance
Fuqing Hong Liong Textile Technology Co., Ltd. (China) (Fuqing Hong Liong)	Related party in substance
Shanghai Huiliang Textile Accessories Co., Ltd. (China) (Shanghai Huiliang)	Related party in substance
TIEN JIANG ENTERPRISE CO., LTD. (TIEN JIANG)	Related party in substance
Skycosmos Sport and outdoor products Ltd. (SKYCOSMOS)	Related party in substance
HONG LI TEXTILE CO., LTD. (HONG LI)	Related party in substance
JSM Green Field (Taiwan) Co., Ltd. (JSM Green)	Related party in substance
Zhongshan Tiongliong Tech-textile Technology Co., Ltd. (China) (Zhongshan Tiongliong)	Related party in substance
ORIENTAL GREEN ENERGY TECHNOLOGY INC. (ORIENTAL)	Related party in substance
E-LIONG GREEN ENGINEERING TECHNOLOGY CO., LTD. (E-LIONG)	Related party in substance
SHANGHAI JIAN LENG BIOLOGICAL TECHNOLOGY CO., LTD. (China) (SHANGHAI JIAN LENG)	Related party in substance
Universal Mean Great Health Technology Co., Ltd. (Universal Mean Great Health)	Related party in substance
DONG GUAN NAM GUANG RUBBER&PLASTIC MANUFACTURES CO., LTD (NAM GUANG)	Related party in substance
Gu Hong Investment CO., LTD. (GU HONG)	Related party in substance
EVER THRIVING INTERNATIONAL INVESTMENT CO., LTD. (EVER THRIVING)	Related party in substance
Qi Hong Investment CO., LTD. (Qi Hong)	Related party in substance
Xin Yan Investment CO., LTD. (Xin Yan)	Related party in substance
Heng Ding Biotechnology Co., Ltd. (Heng Ding Biotechnology)	Related party in substance
DECORTEC CO., LTD. (DECORTEC)	Related party in substance
Gu Yi Investment CO., LTD. (Gu Yi)	Related party in substance
Vietnam Tronjen Industrial Co., Ltd. (Vietnam) (Vietnam Tronjen)	Related party in substance
Hoa Gia Plastics Industrial Co., Ltd. (Hoa Gia)	Related party in substance
JSM Agriculture Development Co., Ltd. (JSM Agriculture)	Related party in substance
Liang Cheng Sporting Goods Company Limited (Liang Cheng)	Related party in substance
GREENRAY BIOMEDICAL CO., LTD. (GREENRAY BIOMEDICAL)	Related party in substance
UNION LINE TEXTILE CO., LTD. (UNION LINE)	Related party in substance
BANG-HONG TECHNOLOGY CO., LTD. (BANG-HONG)	Related party in substance
SICOM ENTERPRISE CO., LTD. (SICOM)	Related party in substance
DONGGUAN PROPRENE SPORTING GOODS CO., LTD. (China) (PROPRENE SPORTING GOODS)	Related party in substance

(Continued)

Related Party Name	Related Party Categories
Teholy Co., Ltd. (Teholy)	Related party in substance
GOLDEN-PRENE ENTERPRISE CO., LTD. (GOLDEN-PRENE)	Related party in substance
Xu Tai Sports Bag Co., Ltd. (China) (Xu Tai)	Related party in substance
DONG GUAN NAMDE RUBBER&PLASTIC MANUFACTURES CO., LTD (China) (NAMDE)	Related party in substance
DongGuan Nan You Sporting Goods Enterprise Ltd. (China) (Nan You)	Related party in substance
Dongguan Shengliang Textile Co., Ltd. (China) (Shengliang)	Related party in substance
HONGLITEXTILE (China) (HONGLITEXTILE)	Related party in substance
Dongguan Goldew Rubber PRODUCT Co. Ltd. (Dongguan Goldew)	Related party in substance
ETERNALCARE BIOTECH INC. (ETERNALCARE)	Related party in substance
Shi Jin Culture and Art Co., Ltd. (Shi Jin)	Related party in substance
HONG LIONG TEXTILE CO., LTD. (HONG LIONG)	Related party in substance
Shanghai Nantec Textile Co., Ltd. (Shanghai Nantec)	Related party in substance
Shanghai Guanqiao Textile Co., Ltd. (Shanghai Guanqiao)	Related party in substance
Tainan City Fucheng Anti-Cancer Health Association (Fucheng Anti-Cancer Association)	Related party in substance
TIONG LIONG TRADING（SAMOA）CO., LTD（TIONG LIONG TRADING）	Related party in substance
TIEN POU INTERNATIONAL LTD., TAIWAN BRANCH (CAYMAN) (TIEN POU)	Related party in substance
Chiayi County Private Ziliang Social Welfare and Charity Foundation (Ziliang Foundation)	Related party in substance
TrueLove Aquatic Solar Power Co., Ltd. (Aquatic Solar Power)	Related party in substance
GREATHEALTH INDUSTRY DEVELOPMENT CO., LTD (GREATHEALTH)	Related party in substance
Liongtex Innovation Enterprises Co., Ltd. (Liongtex)	Related party in substance
SHANGHAI JIE EN DI ENTERPRISE CO. LTD. (JIE EN DI)	Related party in substance
Zhongdao Fuliang Health Technology CO., LTD. (China) (Zhongdao Fuliang)	Related party in substance
Quanye Kangyang Development Co., Ltd. (Quanye Kangyang)	Related party in substance
TrueLove Agriculture, Fishery and Electricity Symbiosis Co., Ltd. (Truelove Symbiosis)	Related party in substance
SKYCOSMOS LIMITED（SKYCOSMOS LIMITPED）	Related party in substance
Yuan Yun Food Co., Ltd. (Yuan Yun)	Related party in substance

(Concluded)

b. Operating revenue

Item	Related Party Name/Categories	2022	2021
Sales revenue	Related party in substance		
	G.I.C.	$ 55,481	$ 60,384
	TLI	23,603	24,819
	TIEN JIANG	22,040	37,746
	ZHONGSHAN TIONGLIONG	17,962	33,493
	Other related parties in substance	98,528	136,967
		$ 217,614	$ 293,409

c. Purchase

Related Party Name/Categories	2022	2021
Related party in substance		
HONG LI	$ 23,796	$ 20,901
NAMDE	12,200	15,606
U-LONG	6,021	7,563
HUI LIANG	4,726	10,147
Other related parties in substance	2,932	5,333
	$ 49,675	$ 59,550

The sales price and purchase price provided to related parties were determined through mutual agreement. The payment term for sales offered to related parties was 30 to 120 days after monthly closing, while the payment term for sales to non-related parties was 30 to 90 days after monthly closing. The payment term for purchases from related parties and non-related parties was 30 to 90 days after monthly closing.

d. Receivables － related parties (excluding loans and contract assets to related parties)

Item	Related Party Name/Categories	December 31, 2022	December 31, 2021
Notes receivable	Related party in substance		
	TLI	$ 4,691	$ 3,887
	TIEN JIANG	4,388	11,990
	Other related parties in substance	2,230	2,019
		$ 11,309	$ 17,896
Accounts receivable	Related party in substance		
	G.I.C.	$ 13,780	$ 24,421
	ZHONGSHAN TIONGLIONG	9,062	3,969
	PROPRENE SPORTING GOODS	5,486	2,983
	Nan You	4,743	14,500
	Other related parties in substance	13,838	27,479
		$ 46,909	$ 73,352
Other current assets	Related party in substance		
	EARS	$ 438	$ 375
	HUI LIANG	293	96
	GREENRAYS	292	385
	AGRO-GREEN	245	287
	JSM Green	200	168
	Other related parties in substance	247	314
		$ 1,715	$ 1,625

No guarantee is required for the outstanding amount of receivables from related parties. No loss allowances were set aside for receivables from related parties for the years ended December 31, 2022 and 2021.

e. Payables – related parties

Item	Related Party Name/Categories	December 31, 2022	December 31, 2021
Notes payable	Related parties in substance		
	U-LONG	$ 408	$ 667
	DECORTEC	119	-
		$ 527	$ 667
Accounts payable	Related parties in substance		
	HONG LI	$ 5,408	$ 8,277
	NAMDE	420	3,254
	Other related parties in substance	1,402	2,782
		$ 7,230	$ 14,313
Other accounts payable	Related parties in substance		
	EARS	$ 972	$ 1,772
	Hoa Gia	429	554
	NAMDE	413	602
	Other related parties in substance	86	389
		$ 1,900	$ 3,317

f. Acquisition of property, plant, and equipment

Related Party Name/Categories	Purchase Price 2022	Purchase Price 2021
Related parties in substance		
ORIENTAL	$ 179	$ -

g. Lease arrangements

Related Party Name/Categories	2022	2021
Lease expenses		
Chairman of the Company	$ 4,403	$ 4,403
Related parties in substance	120	160
	$ 4,523	$ 4,563

The Company leases offices from the chairman of the Company. The rentals are paid on a monthly basis.

Subsidiaries lease parking spaces, offices, display space for samples, and warehouse from related parties in substance. The rentals are paid on a monthly basis.

Lease expenses include expenses related to short-term leases as well as low-value asset leases. The total amount of future expenses associated with short-term leases and expenses to be paid related to low-value asset leases are as follows:

	December 31, 2022	December 31, 2021
Total amount of lease expenses to be paid in the future	$ 120	$ 10

h. Lease-out agreement

Operating lease

The Group leases a dormitory and offices to related parties by means of an operating lease based on prevailing rates in the surrounding area. Rentals may be paid in lump sum at the beginning of the year or collected on a monthly basis. Lease income were NT$3,666 thousand and NT$3,763 thousand in 2022 and 2021, respectively.

i. Others

Item	Related Party Name/Categories	2022	2021
Operating Costs (excluding rentals)	Related parties in substance		
	NAMDE	$ 5,692	$ 5,742
	Hoa Gia	686	-
	TIEN JIANG	-	840
	Other related parties in substance	250	1,014
		$ 6,628	$ 7,596
Operating expenses (excluding rentals)	Related parties in substance		
	EARS	$ 11,331	$ 12,262
	JIE EN DI	-	4,143
	Other related parties in substance	1,813	2,326
		$ 13,144	$ 18,731
Other income	Related parties in substance		
	AGRO-GREEN	$ 1,200	$ 1,442
	JSM Green	1,020	840
	GREENRAYS	930	1,457
	Other related parties in substance	517	750
		$ 3,667	$ 4,489

Related parties in substance provide human resources to the Group, and the Group paid NT$10,975 thousand and NT$11,813 thousand in management service fees in 2022 and 2021, respectively. Payment is collected in the following quarter based on actual fees every quarter (actual fee was included in the Operating expenses mentioned above).

The Group provides related party in substance with management and consultation services, with management service revenue of NT$3,560 thousand and NT$4,320 thousand collected on a monthly basis (included in other income) in 2022 and 2021, respectively.

The Group disposed of transportation equipment with no residual value to related parties in substance for NT$50 thousand in 2021, and NT$50 thousand; such gains on the disposal were recognized as other income.

j. Endorsements and guarantees

Endorsements and guarantees received

The chairman of the Company provided land and building in Tainan City as collateral for loans in December 31, 2022 and 2021.

k. Remuneration of key management personnel

The remuneration of directors and key management personnel in 2022 and 2021 are as follows:

	2022	2021
Short-term employee benefits	$ 62,575	$ 56,349
Post-employment benefits	1,415	1,315
	$ 63,990	$ 57,664

Remuneration of directors and key management is determined by the Remuneration Committee based on personal performance and market trends. If the decision-making and handling of any matter related to the remuneration of directors and managerial officers of a subsidiary are delegated to the subsidiary but require ratification by the Company's board of directors, the Remuneration Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

24. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Group pledged the following assets as bank loans and collaterals with letter of guarantee, or customs guarantee for imported materials and supplies:

	December 31, 2022	December 31, 2021	Purpose
Restricted demand deposits	$ 29,863	$ 47,598	Borrowings and performance
Pledged time deposits	17,000	17,106	Borrowings and performance
Right-of-use assets	13,047	13,907	Borrowings
Property, plant and equipment, net	491,122	510,133	Borrowings
	$ 551,032	$ 588,744	

25. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. As of December 31, 2022 and 2021, the unused letters of credit amounted to NT$20,960 and NT$23,293, respectively.

b. The Company has agreed to lease 7 superficies from Taiwan Sugar Corporation (TSC) which are located in San Kan Dian and Niaosong, YongKang Dist., Tainan City. In accordance with the agreement with TSC, the Company has established the value of the right of superficies through the Land Bank of Taiwan, which is the management bank for syndicated credit facility agreements. In addition, the Company has promised the Land Bank of Taiwan that it shall maintain ownership of the superficies during the syndicated credit facility period and shall faithfully comply with the superficies contract signed with TSC. Without the agreement of the Land Bank of Taiwan, the Company is not allowed to cancel, revoke or terminate the contract, and abandon the superficies. Please refer to Notes 13, 15, and 24 for further details.

26. OTHER ITEMS

Due to the COVID-19 pandemic and current conditions, GREENCHEM, a subsidiary of the Group, has applied for subsidy on salary and operating funds from the government, and acquired NT$432 thousand in 2021 (2022: none).

27. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On March 21, 2023, the Company issued 5,000 units of secured convertible corporate bonds denominated in New Taiwan Dollars with a coupon rate of 0%. The total capital was NT$500,000 thousand while the total offering amount was NT$581,140 thousand based on a par value of 116.23%.

28. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information on aggregation of foreign currencies other than functional currencies of the entities in the Group as well as exchange rates between foreign currencies and respective functional currencies were disclosed. Significant assets and liabilities denominated in foreign currencies are as follows:

(Except for the exchange rate, individual foreign currencies all in thousands of New Taiwan Dollars)

	December 31, 2022			
	Foreign currency amount	Exchange rate	Functional currencies	NT$
Financial assets				
Monetary items				
USD	$ 12,315	30.660（USD：NTD）	$377,578	$377,578
USD	2,655	6.995（USD：CNY）	18,572	81,402
USD	94	23,540.00（USD：VND）	2,212,760	2,390
CNY	2,137	4.383（CNY：NTD）	9,366	9,366
EUR	514	32.520（EUR：NTD）	16,715	16,715
HKD	35	3.908（HKD：NTD）	137	137
Financial liabilities				
Monetary items				
USD	341	30.660（USD：NTD）	10,455	10,455
USD	64	23,540.00（USD：VND）	1,506,560	1,627

	December 31, 2021			
	Foreign currency amount	Exchange rate	Functional currencies	NT$
Financial assets				
Monetary items				
USD	$ 17,333	27.630（USD：NTD）	$478,911	$478,911
USD	3,091	6.397（USD：CNY）	19,774	85,404
USD	148	22,860.00（USD：VND）	3,383,280	4,089
CNY	198	4.319（CNY：NTD）	855	855
EUR	705	31.120（EUR：NTD）	21,940	21,940
HKD	1,147	3.519（HKD：NTD）	4,036	4,036
Financial liabilities				
Monetary items				
USD	$ 475	27.630（USD：NTD）	$ 13,124	$ 13,124
USD	182	22,860.00（USD：VND）	4,160,520	5,029

For the years ended December 31, 2022 and 2021, net foreign exchange gains and losses (realized and unrealized) were NT$52,847 thousand, and NT$12,424 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses per significant foreign currency due to various foreign currency transactions.

29. ADDITIONAL DISCLOSURES

a. Information about significant transactions and reinvestments:

1) Financing provided to others: None.

2) Endorsement and guarantee provided: Table 1.

3) Marketable securities held: Table 2.

4) Acquisition and disposal of marketable securities for at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate properties for at least NT$300 million or 20% of the paid-in capital: None.

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

7) Total purchase or sales transactions with related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Others:
Intercompany relationships and significant intercompany transactions: Table 4.

11) Information on investees: Table 5.

b. Information on investments in Mainland China:

1) The name of investee in Mainland China, main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, 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: Table 6.

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:

a) The amount and percentage of purchases and the balance and percentage of related payables at the end of the period: Table 3 and 4.

b) The amount and percentage of sales and the balance and percentage of related receivables at the end of the period: Table 3 and 4.

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

d) The balance and purposes of endorsements or guarantees or pledged of collateral at the end of the period: None.

e) The maximum balance, ending balance, interest rate range and total amount of interest of financing for the current year: None.

f) Other transactions that have a material effect on profit or loss for the period or on financial position, such as rendering or receiving of services: None.

c. Information on major shareholders: list the names of all shareholders with ownership of 5% or greater, the number of shares owned, and percentage of ownership of each shareholder: Table 7.

30. 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, including departments in charge of electronic products, chemical products, textile products (downstream), and other products.

a. Segment revenue and results

Below is an analysis of continuing revenue and results from the operations of reportable segments of the Group:

	Segment Revenue		Segmented Income	
	2022	2021	2022	2021
Electronic products	$ 212,621	$ 325,972	$ 881	($ 17,073)
Chemical products	142,725	214,222	7,556	16,865
Textile products (downstream)	2,717,748	2,789,708	140,415	280,306
Other products	9,133	26,998	(8,938)	(89,169)
	$3,082,227	$3,356,900	139,914	190,929
Interest revenue			3,352	1,865
Foreign exchange gains (losses)			52,847	(12,424)
Finance costs			(30,670)	(27,222)
Other gains and losses, net			26,056	22,945
Profit before tax from continuing operations			$ 191,499	$ 176,093

The reported segment revenue was generated from transactions with external customers.

Segment revenue represented the profit before tax earned by each segment without allocation of interest revenue, foreign exchange gains (losses), financing 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.

Because the Group did not provide the operating decision-maker with segment assets of reportable segments, information of segment assets shall not be disclosed.

b. Major revenue from products and service

Below is the major revenue from products and services of continuing operations of the Group:

	2022	2021
Electronic products	$ 212,621	$ 325,972
Chemical product	142,725	214,222
Textile products (downstream)	2,717,748	2,789,708
Other products	9,133	26,998
	$ 3,082,227	$ 3,356,900

c. Geographical information

Taiwan, China, and Vietnam are the Group's major operational locations.
The Group’s revenue from continuing operations of external customers based on the operational location and information on non-current assets according to location are detailed as follows:

	Revenue from External Customers		Non-current Assets	
	2022	2021	December 31, 2022	December 31, 2021
Taiwan	$ 2,193,290	$ 2,330,306	$ 1,115,108	$ 1,013,158
China	864,544	999,807	458,262	486,496
Vietnam	24,393	26,787	17,874	17,395
	$ 3,082,227	$ 3,356,900	$ 1,591,244	$ 1,517,049

Non-current assets exclude financial assets at amortized cost and deferred tax assets.

d. Information on major customers

The Group does not have revenues from a single customer that exceed 10% of the consolidated operating revenues in 2022 and 2021.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

ENDORSEMENT AND GUARANTEE PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 1

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

No.	Endorser and Guarantor	Party being endorsed and guaranteed		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount of Endorsement/ Guarantee During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Amount Actually Drawn	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Maximum Allowable Amount for Endorsements/Guarantees (Note)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Nature of Relationships										
0	Nam Liong Global Corporation	ELEMENTECH INTERNATIONAL CO., LTD.	Subsidiary	$ 327,831	$ 20,000	$ 20,000	$ -	$ -	1.22%	$ 819,577	Yes	-	-

Note: The Company's aggregate amount of endorsements/guarantees for external entities and for a single entity shall not exceed 50% and 20% of the Company's net worth, respectively. The maximum amount of aggregate endorsements/guarantees provided by the Company was the net value on December 31, 2022.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

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MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Nam Liong Global Corporation	Shares TIONG LIONG INDUSTRIAL CO., LTD.	Related parties in substance	Financial assets at fair value through other comprehensive income - non-current	5,875,002	$ 205,273	13,52%	$ 205,273	Note

Note: Financial assets at fair value through other comprehensive income were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

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TOTAL PURCHASES OR SALES TRANSACTIONS WITH RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 3

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
ELEMENTECH INTERNATIONAL CO., LTD.	SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.	Subsidiary	Purchases	$ 148,619	88.53%	30 days after monthly closing	N/A	N/A	$ -	-	Note
SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.	ELEMENTECH INTERNATIONAL CO., LTD.	Parent	Sales	148,619	92.17%	30 days after monthly closing	N/A	N/A	-	-	Note

Note: All transactions have been eliminated upon consolidation.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

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INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 4

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Nam Liong Global Corporation	JIAXING NANXIONG POLYMER CO., LTD.	(1)	Sales revenue	$ 49,118	Note 5	1.57%
0	Nam Liong Global Corporation	JIAXING NANXIONG POLYMER CO., LTD.	(1)	Accounts receivable	4,678	Note 5	0.06%
1	ELEMENTECH INTERNATIONAL CO., LTD.	SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.	(3)	Operating costs	148,619	Note 5	4.75%

Note 1: Transactions between the parent corporation and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

(1) The parent corporation shall be 0.

(2) Subsidiaries are numbered in Arabic figures.

Note 2: Related party transactions are divided into three categories:

(1) The parent corporation to its subsidiaries

(2) Subsidiaries to the parent corporation

(3) Subsidiaries to Subsidiaries

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, computation is based on period-end balance of transaction to consolidated total assets for balance sheet accounts, as well as accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: All transactions have been eliminated upon consolidation.

Note 5: The amount was determined through mutual agreement.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

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INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 5

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares Held by the Company			Net Income (Loss) of the Investee (Foreign Currencies in Thousands)	Share of Profit (Loss) the Company (Note 1) (Foreign Currencies in Thousands)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Nam Liong Global Corporation	GREENCHEM INTERNATIONAL CO., LTD.	Chiayi	Chemical product	$ 240,000	$ 240,000	8,000,000	100.00	$ 290,725	$12,140	$11,834	Note 1 and 2
Nam Liong Global Corporation	ELEMENTECH INTERNATIONAL CO., LTD.	Taipei	Electronic products trading	154,500	154,500	10,612,130	100.00	125,150	7,146	7,146	Note 2
Nam Liong Global Corporation	NAM LIONG INTERNATIONAL INVESTMENT & HOLDING CORP. (Cayman)	Cayman Islands	Holding and investment	USD 1,930 thousand	USD 1,930 thousand	1,930,000	100.00	138,742	16,240 (USD 546 thousand)	16,240 (USD 546 thousand)	Note 2
Nam Liong Global Corporation	SPEEDBEST INTERNATIONAL LIMITED	Samoa	Holding and investment	USD 6,810 thousand	USD 6,810 thousand	6,810,000	100.00	582,880	24,934 (USD 838 thousand)	24,934 (USD 838 thousand)	Note 2
Nam Liong Global Corporation	NAM LIONG ENTERPRISE CO., LTD. (VIETNAM)	Vietnam	Textile products (downstream)	USD 1,600 thousand	USD 1,600 thousand	-	100.00	14,947	(12,905) (Loss VND 10,085,144 thousand)	(12,905) (Loss VND 10,085,144 thousand)	Note 2
ELEMENTECH INTERNATIONAL CO., LTD.	ELEMENTECH (HONG KONG) LIMITED	Hong Kong	Holding and investment	HKD 15,856 thousand	HKD 8,076 thousand	-	100.00	10,280	(11,915) (Loss HKD 3,155 thousand)	(11,915) (Loss HKD 3,155 thousand)	Note 2

Note 1: The difference between current profit and current investment income of investees is recognized as amortized amount of investees' fair value of asset higher than book value.

Note 2: All transactions have been eliminated upon consolidation.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES

(Original name: PROLINK MICROSYSTEMS CORPORATION AND SUBSIDIARIES)

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 6

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

Investee Company	Main Businesses and Product	Total Amount of Paid-in Capital (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (Note 1)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (Note 1)	Net Income (Losses) of the Investee Company (Note 2)	Ownership of Direct or Indirect Investment	Share of Profits and Losses (Note 2 and 6)	Carrying Amount as of December 31, 2022 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2022 (Note 4)
					Outflow	Inflow						
GREENCHEM INTERNATIONAL SHANGHAI CO., LTD.	Chemical product	$ 6,132 (USD 200 thousand)	The Company's direct investment in Mainland China	$ 6,465 (USD 200 thousand)	$ -	$	$ 6,465 (USD 200 thousand)	$ 10,839 (CNY 2,465 thousand)	100%	$ 10,839 (CNY 2,465 thousand)	$ 46,795	$ 207,023 (Note 8)
SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.	Electronic products trading and manufacturing	61,320 (USD 2,000 thousand)	Investments in Mainland China companies were made through a company invested and established in a third region	29,670 (USD 1,000 thousand)	29,520 (USD 1,000 thousand)		59,190 (USD 2,000 thousand)	(11,864) (Loss CNY 2,698 thousand)	100%	(11,864) (Loss CNY 2,698 thousand)	10,335 (HKD 2,645 thousand)	-
JIAXING NANXIONG POLYMER CO., LTD.	Textile products (downstream)	183,960 (USD 6,000 thousand)	Investments in Mainland China companies were made through a company invested and established in a third region	272,723 (USD 8,583 thousand)	-		272,723 (USD 8,583 thousand)	17,975 (CNY 4,088 thousand)	100%	17,975 (CNY 4,088 thousand)	525,369 USD 17,135 thousand	-
DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD.	Textile products (downstream)	82,782 (USD 2,700 thousand)	Investments in Mainland China companies were made through a company invested and established in a third region	84,351 (USD 2,651 thousand)	-		84,351 (USD 2,651 thousand)	23,199 (CNY 5,276 thousand)	100%	23,199 (CNY 5,276 thousand)	198,385 USD 6,470 thousand	-

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 422,729 (USD 13,434 thousand) (Note 1)	$ 486,064 (USD 15,497 thousand) (Note 1 and 7)	$ - (Note 5)

Note 1: The NTD amount was converted using the USD buying rate when the original investments were transferred from the account.

Note 2: Calculated using the average exchange rate between January 31, 2022 and December 31, 2022

Note 3: Calculated using the exchange rate on December 31, 2022

Note 4: Calculated using the exchange rate of inward remittance of dividends

Note 5: Pursuant to the Industrial Development Bureau, MOEA No. 11020444220 dated December 6, 2021, the Company has obtained a certificate of qualification for headquarters operations, issued by the Industrial Development Bureau, MOEA, thus the upper limit on investments in Mainland China is not applicable to the Company.

Note 6: Calculated with the financial statements audited and attested by R.O.C parent company's certified public accountant in the same period.

Note 7: Investment amounts authorized by the Investment Commission, MOEA when the Company acquired GREENCHEM and merged with NAM LIONG ENTERPRISE, are included.

Note 8: The Company obtained 100% shares in GREENCHEM in October 2010, and dividends of GREENCHEM were remitted by GREENCHEM INTERNATIONAL SHANGHAI CO., LTD. after October 2010.

Note 9: All transactions have been eliminated upon consolidation.

NAM LIONG GLOBAL CORPORATION AND SUBSIDIARIES
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INFORMATION ON MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 7

Name of Major Shareholder	Shares	
	Total Shares Owned	Percentage of Ownership
ZI LIONG ENTERPRISE CO., LTD.	88,221,501	72.08%

Note 1: The information in this table refers to the total shareholdings of more than 5% of the Company's shares of common stock and preferred stock that have completed non-physical registration and delivery (including treasury shares), in accordance with the last business day of the end of the quarter of the Taiwan Depository and Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the actual number of shares that have completed non-physical registration and delivery may vary due to different basis of calculation.