BUIMA GROUP INC. (FORMERLY: BUIMA GROUP INC. (CAYMAN)) AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000622

To the Board of Directors and Shareholders of Buima Group Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Buima Group Inc. (formerly: Buima Group Inc. (Cayman)) and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with 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 Group's 2022 consolidated financial statements. 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 2022 consolidated financial statements are stated as follows:

Accuracy of the timing of revenue recognition of export sales for the battery products

<u>Description</u>

Please refer to Note 4(29) for accounting policy on revenue recognition and Note 6(23) for details of operating revenue.

Operating revenue from sales of battery-related products represented 51% of the Group's consolidated operating revenue for the year ended December 31, 2022, of which, export sale transactions represented 67% of battery product revenue, which is significant to the consolidated financial statements. There were different transaction terms of the export sales according to the sales orders or other agreements of each customer. Sales revenue was recognised when control of the products was transferred to the customer. As the processes of the revenue recognition usually involve manual confirmation of sales position and check of relevant documents and would potentially result in improper timing of revenue recognition, we consider the accuracy of the timing of revenue recognition of export sales for the battery products a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on, assessed and tested the internal control procedures for the accuracy of the timing of revenue recognition of battery product sales.
2. Obtained details of export sales revenue transactions and performed verification tests, including checking customer orders, shipping orders and export declarations, to confirm the adequacy of the timing of revenue recognition of export sales.
3. Performed confirmation for the accounts receivable.

Evaluation of inventories of battery segment

Description

Please refer to Note 4(13) for accounting policy on evaluation of inventories, Note 5(2) for accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(5) for details of inventories.

The battery segment of the Group is primarily engaged in the manufacture of batteries and their parts. The inventories have a higher risk of incurring loss on decline in market value or obsolescence as the life cycles of products are short and the degree of customisation is relatively high. The Group measured the value of inventories by using the item by item approach and recognised the inventories at the lower of cost and net realisable value. The evaluation of the inventories aged over a certain period is calculated according to the historical experience in accounting for obsolete inventories. As the assessment may involve subjective judgement of the management according to relevant supporting documents obtained and contains a high degree of uncertainty, we consider the evaluation of inventories of battery segment a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures used for allowance for inventory valuation loss, including the reasonableness of the inventory clearance and how the management identified obsolete inventory items, based on our understanding on the operations and industrial characteristics.
2. Obtained an understanding on inventory management processes and assessed the inventory position and the effectiveness of management's classification and control of and over obsolete inventory by participating in the observation of annual physical inventory count.
3. Sampled and tested the accuracy of inventory ageing calculation, confirmed the reasonableness of identifying slow-moving and obsolete inventories and verified the reasonableness of assessment basis adopted for net realisable value to assess the reasonableness of provision on allowance for inventory valuation loss and the consistency of policies.

Evaluation of accounts receivable of building material segment in Mainland China

Description

Please refer to Note 4(9) for accounting policy on accounts receivable, Note 5(2) for accounting estimates and assumption uncertainty of loss allowance for accounts receivable, and Note 6(4) for details of accounts receivable.

The accounts receivable of the Group's building material segment is mainly from the customers in Mainland China. The Group provisioned expected credit loss according to the established policy on allowance for bad debts from accounts receivable. The assessment is accrued based on the credit risk of customer, historical credit loss and reasonable expectation of customer's future economic conditions. As the aforementioned assessment methods involve subjective judgement of the management and have significant influence on the measurement of the credit loss on accounts receivable that was past due, we consider the evaluation of accounts receivable in Mainland China of building material segment a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on and assessed the internal control procedures for the recognition of the accounts receivable and its impairment.
2. Obtained, sampled and tested the accounts receivable ageing reports, checked the supporting documents related to the dates of accounts receivable and confirmed the accuracy of the ageing classification.
3. Obtained and reviewed the data provided by the management and assessed the provision ratio of allowance for impairment loss by reference to the historical default possibility in the past years and considering the forecastability.
4. Recalculated the allowance for impairment loss that shall be provisioned according to the expected provision ratio.

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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Wu, Chien-Chih	Chiu, Chao-Hsien

For and on behalf of PricewaterhouseCoopers, Taiwan
May 27, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 460,203	11	$ 461,623	12
1136	Current financial assets at amortised cost	6(3) and 8	343,468	8	114,226	3
1140	Current contract assets	6(23)	291,594	7	195,378	5
1150	Notes receivable, net		83,197	2	9,982	-
1170	Accounts receivable, net	5(2) and 6(4)	671,245	16	702,015	19
1180	Accounts receivable - related parties	5(2) and 7	21,915	1	70,532	2
1200	Other receivables		16,407	1	22,219	1
130X	Inventories	5(2) and 6(5)	912,941	22	781,821	21
1410	Prepayments	6(6)	127,508	3	227,956	6
11XX	**Current Assets**		2,928,478	71	2,585,752	69
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	4,780	-	4,780	-
1535	Non-current financial assets at amortised cost	6(3) and 8	24,926	1	113,688	3
1600	Property, plant and equipment	6(7) and 8	576,101	14	492,239	13
1755	Right-of-use assets	6(8) and 8	180,632	5	106,613	3
1780	Intangible assets	5(2), 6(9)(33)	164,563	4	168,009	5
1840	Deferred income tax assets	6(30)	11,424	-	8,750	-
1900	Other non-current assets	6(10) and 8	212,414	5	242,122	7
15XX	**Non-current assets**		1,174,840	29	1,136,201	31
1XXX	**Total assets**		$ 4,103,318	100	$ 3,721,953	100

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BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11) and 8	$ 1,113,170	27	$ 925,112	25
2120	Current financial liabilities at fair value through profit or loss	6(12)	3,244	-	1,780	-
2130	Current contract liabilities	6(23)	125,156	3	18,730	1
2150	Notes payable		228,125	5	133,322	4
2160	Notes payable to related parties	7	114,632	3	80,814	2
2170	Accounts payable	6(13)	205,548	5	303,524	8
2180	Accounts payable - related parties	7	-	-	77,723	2
2200	Other payables	6(14)	150,633	4	177,013	5
2230	Current income tax liabilities		70,116	2	95,831	3
2250	Current provisions	6(18)	7,327	-	6,862	-
2280	Current lease liabilities		14,091	-	9,906	-
2320	Long-term liabilities, current portion	6(15)(16) and 8	437,527	11	86,715	2
21XX	**Current Liabilities**		2,469,569	60	1,917,332	52
	Non-current liabilities					
2530	Bonds payable	6(15) and 8	92,527	2	283,701	8
2540	Non-current borrowings	6(16) and 8	130,338	3	104,359	3
2550	Non-current provisions	6(18)	18,492	1	16,010	-
2570	Deferred income tax liabilities	6(30)	17,427	-	23,693	1
2580	Non-current lease liabilities		29,309	1	22,866	-
2645	Guarantee deposits received		2,593	-	3,725	-
25XX	**Non-current liabilities**		290,686	7	454,354	12
2XXX	**Total Liabilities**		2,760,255	67	2,371,686	64
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Share capital - common stock		373,045	9	373,045	10
	Capital surplus	6(20)				
3200	Capital surplus		273,503	7	307,576	8
	Retained earnings	6(21)				
3310	Legal reserve		18,828	1	7,006	-
3320	Special reserve		54,063	1	55,608	2
3350	Unappropriated retained earnings		12,383	-	120,959	3
	Other equity interest	6(22)				
3400	Other equity interest		(35,601)	(1)	(54,063)	(1)
31XX	**Equity attributable to owners of the parent**		696,221	17	810,131	22
36XX	Non-controlling interest	4(3), 6(32)(33) and 7	646,842	16	540,136	14
3XXX	**Total equity**		1,343,063	33	1,350,267	36
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance	11				
3X2X	**Total liabilities and equity**		$ 4,103,318	100	$ 3,721,953	100

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

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except (loss) earnings per share)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(23) and 7	$ 3,556,645	100	$ 2,718,787	100
5000	Operating costs	6(5)(28)(29) and 7	(3,092,963)	(87)	(2,151,685)	(79)
5900	Net operating margin		463,682	13	567,102	21
	Operating expenses	6(9)(28)(29)				
6100	Selling expenses		(188,241)	(5)	(189,765)	(7)
6200	General and administrative expenses		(146,626)	(4)	(79,330)	(3)
6300	Research and development expenses		(81,617)	(2)	(55,735)	(2)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(10,521)	(1)	(4,446)	-
6000	Total operating expenses		(427,005)	(12)	(329,276)	(12)
6900	Operating profit		36,677	1	237,826	9
	Non-operating income and expenses					
7100	Interest income	6(3)(24)	1,908	-	889	-
7010	Other income	6(25)	21,034	-	18,950	1
7020	Other gains and losses	6(12)(26)	44,479	1	(7,146)	-
7050	Finance costs	6(8)(27)	(43,529)	(1)	(21,641)	(1)
7000	Total non-operating income and expenses		23,892	-	(8,948)	-
7900	**Profit before income tax**		60,569	1	228,878	9
7950	Income tax expense	6(30)	(39,145)	(1)	(79,715)	(3)
8200	**Profit for the year**		$ 21,424	-	$ 149,163	6
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(22)	$ 18,368	1	($ 945)	-
8399	Income tax relating to the components of other comprehensive income	6(22)(30)	5,110	-	1,602	-
8300	**Other comprehensive income for the year**		$ 23,478	1	$ 657	-
8500	**Total comprehensive income for the year**		$ 44,902	1	$ 149,820	6
	Profit (loss), attributable to:					
8610	Owners of the parent		($ 60,962)	(3)	$ 118,225	5
8620	Non-controlling interest		82,386	3	30,938	1
			$ 21,424	-	$ 149,163	6
	Comprehensive income attributable to:					
8710	Owners of the parent		($ 42,500)	(1)	$ 119,770	5
8720	Non-controlling interest		87,402	2	30,050	1
			$ 44,902	1	$ 149,820	6
	(Loss) earnings per share	6(31)				
9750	Basic (loss) earnings per share		($ 1.63)		$ 3.26	
9850	Diluted (loss) earnings per share		($ 1.63)		$ 3.11	

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

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollar)

		Equity attributable to owners of the parent									
			Capital Surplus		Retained Earnings						
	Notes	Share capital - common stock	Additional paid-in capital	Share options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
Year ended December 31, 2021											
Balance at January 1, 2021		$ 357,000	$ 233,254	$ -	$ 4,140	$ 57,538	$ 28,660	($ 55,608)	$ 624,984	$ 124,018	$ 749,002
Profit		-	-	-	-	-	118,225	-	118,225	30,938	149,163
Other comprehensive income (loss)	6(22)	-	-	-	-	-	-	1,545	1,545	(888)	657
Total comprehensive income		-	-	-	-	-	118,225	1,545	119,770	30,050	149,820
Cash capital increase	6(19)	15,000	72,000	-	-	-	-	-	87,000	-	87,000
Recognition of conversion right embedded at issuance of convertible bonds		-	-	7,676	-	-	-	-	7,676	-	7,676
Conversion of convertible bonds	6(14)(19)	1,045	8,563	(3,207)	-	-	-	-	6,401	-	6,401
Appropriations of 2020 earnings:											
Legal reserve	6(21)	-	-	-	2,866	-	(2,866)	-	-	-	-
Special reserve	6(21)	-	-	-	-	(1,930)	1,930	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	(24,990)	-	(24,990)	-	(24,990)
Cash payment from capital surplus	6(20)(21)	-	(10,710)	-	-	-	-	-	(10,710)	-	(10,710)
Increase in non-controlling interest	6(33)	-	-	-	-	-	-	-	-	386,068	386,068
Balance at December 31, 2021		$ 373,045	$ 303,107	$ 4,469	$ 7,006	$ 55,608	$ 120,959	($ 54,063)	$ 810,131	$ 540,136	$1,350,267
Year ended December 31, 2022											
Balance at January 1, 2022		$ 373,045	$ 303,107	$ 4,469	$ 7,006	$ 55,608	$ 120,959	($ 54,063)	$ 810,131	$ 540,136	$1,350,267
(Loss) profit		-	-	-	-	-	(60,962)	-	(60,962)	82,386	21,424
Other comprehensive income	6(22)	-	-	-	-	-	-	18,462	18,462	5,016	23,478
Total comprehensive (loss) income		-	-	-	-	-	(60,962)	18,462	(42,500)	87,402	44,902
Recognition of conversion right embedded at issuance of convertible bonds		-	-	3,231	-	-	-	-	3,231	-	3,231
Appropriations of 2021 earnings:											
Legal reserve	6(21)	-	-	-	11,822	-	(11,822)	-	-	-	-
Special reserve	6(21)	-	-	-	-	(1,545)	1,545	-	-	-	-
Cash dividends	6(21)	-	-	-	-	-	(37,304)	-	(37,304)	-	(37,304)
Cash payment from capital surplus	6(20)(21)	-	(37,304)	-	-	-	-	-	(37,304)	-	(37,304)
Payment of cash dividends - non-controlling interest	4(3)	-	-	-	-	-	-	-	-	(26,388)	(26,388)
Increase in non-controlling interest	6(33)	-	-	-	-	-	-	-	-	49,659	49,659
Transactions with non-controlling interest	6(32)	-	-	-	-	-	(33)	-	(33)	(3,967)	(4,000)
Balance at December 31, 2022		$ 373,045	$ 265,803	$ 7,700	$ 18,828	$ 54,063	$ 12,383	($ 35,601)	$ 696,221	$ 646,842	$1,343,063

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

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 60,569	$ 228,878
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial liabilities at fair value through profit or loss	6(12)(26)	(276)	510
Expected credit loss	12(2)	10,521	4,446
Depreciation expense	6(7)(8)(28)	69,147	42,102
Amortisation expense	6(9)(28)	17,274	15,877
Loss on disposal of property, plant and equipment	6(26)	630	635
Interest income	6(24)	(1,908)	(889)
Interest expense	6(27)	43,529	21,641
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(96,216)	(76,614)
Notes receivable		10,240	12,413
Accounts receivable		98,749	(141,994)
Accounts receivable - related parties		48,617	(13,120)
Other receivables		7,722	7,028
Inventories		(24,276)	(227,472)
Prepayments		101,670	(70,870)
Changes in operating liabilities			
Current contract liabilities		101,923	(49,354)
Notes payable		(48,265)	35,641
Notes payable - related parties		33,818	3,797
Accounts payable		(135,252)	73,571
Accounts payable - related parties		(77,723)	34,203
Other payables		(60,787)	14,185
Provisions		2,947	17,450
Cash inflow (outflow) generated from operations		162,653	(67,936)
Interest received		1,908	889
Interest paid		(39,621)	(19,838)
Income taxes refunded		2,610	5,263
Income taxes paid		(72,138)	(13,224)
Net cash flows from (used in) operating activities		55,412	(94,846)

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BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in current financial assets at amortised cost		($ 221,242)	$ 25,616
Decrease (increase) in non-current financial assets at amortised cost		88,762	(84,344)
Acquisition of property, plant and equipment	6(34)	(78,503)	(69,245)
Proceeds from disposal of property, plant and equipment		3,538	3,669
Acquisition of intangible assets	6(9)	(11,661)	(1,381)
Decrease (increase) in guarantee deposits paid		2,192	(37,194)
Increase in prepayment for land approval fee		-	(21,461)
Acquisition of subsidiaries	6(33)	(44,000)	(131,400)
Cash inflow from acquisition of subsidiaries	6(33)	28,256	255,425
Increase in other non-current assets		(39,370)	(27,580)
Net cash flows used in investing activities		(272,028)	(87,895)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(35)	1,236,983	743,384
Repayments of short-term borrowings	6(35)	(1,106,290)	(637,221)
Proceeds from long-term borrowings	6(35)	191,423	107,516
Repayments of long-term borrowings	6(35)	(122,610)	(172,171)
Payments of lease liabilities	6(35)	(14,220)	(5,414)
Proceeds from issuance of bonds payable	6(15)(35)	100,000	302,000
(Decrease) increase in guarantee deposits received	6(35)	(1,132)	2,794
Proceeds from issuance of shares	6(19)	-	87,000
Payment of cash dividends and cash payment from capital surplus	6(20)(21)	(74,608)	(35,700)
Payment of cash dividends - non-controlling interest	4(3)	(26,388)	-
Net cash receipts or payments from equity transactions with non-controlling interest shareholders	6(32) and 7(2)	(4,000)	-
Net cash flows from financing activities		179,158	392,188
Effect of foreign exchange translations		36,038	(41,172)
Net (decrease) increase in cash and cash equivalents		(1,420)	168,275
Cash and cash equivalents at beginning of year		461,623	293,348
Cash and cash equivalents at end of year		$ 460,203	$ 461,623

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

BUIMA GROUP INC. AND SUBSIDIARIES
(FORMERLY: BUIMA GROUP INC. (CAYMAN))
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Buima Group Inc. (formerly named as BUIMA Group Inc. (Cayman)) (the "Company") was incorporated in the British Cayman Islands in November 2009 for the purpose of the organisational restructuring undertaken prior to listing on the Taiwan Stock Exchange or Taipei Exchange. On November 10, 2009, the Company provided its own shares to exchange shares in Buima Holding Co., Limited and Syntech Holding Limited at a conversion ratio of 0.54:1 and became the holding company of the two companies thereafter. On May 18, 2020, the Company renamed its Chinese name from BUIMA Group Inc. (Cayman) to Buima Group Inc. as approved by the shareholders, but no change was made on its English name. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in manufacture and sales of steel wall partition building materials, fire insulation partitions, metal ceilings, grids, new building materials, battery and electric appliances, comprehensive constructions, development and lease of housings and buildings, development, lease and sales of industrial plants, trading of property, dredging industry and trading of steel.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 27, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for financial assets and liabilities (including derivative instruments) at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2022	Ownership(%) December 31, 2021	Description
Buima Group Inc.	Buima Holding Ltd.	Investment and holding	100%	100%	-
Buima Group Inc.	Syntech Holding Co., Ltd.	Investment and holding	100%	100%	-
Buima Group Inc.	Buima New Building Materials India Private Ltd.	Sales of new building materials and provision of product consulting services	-	-	Note 1
Buima Group Inc.	Unitory International CO., Ltd.	Sales of new building materials and provision of product consulting services	60%	60%	-
Buima Group Inc.	Unitory Construction Co., Ltd.	Civil engineering and wholesale of building material	100%	100%	-
Buima Group Inc.	JOULES MILES CO., LTD.	Manufactures, wholesale and retail of electrical appliances, batteries, etc.	25.18%	25.18%	Note 2
Buima Group Inc.	SHIN JIN COMPANY LIMITED	Wholesale and retail of steel and building materials	45.83%	-	Note 8
Buima Group Inc.	BUIMA ENERGY INC.	Investment and holding	100%	-	Note 9
JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	Wholesale and retail of electrical appliances, batteries, etc.	100%	80%	Note 6
Buima Holding Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	International trade, export trade, trade between entities in the bonded area and trade agency in the area	100%	100%	-

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2022	Ownership(%) December 31, 2021	Description
Syntech Holding Co., Ltd.	Syntech New Building Materials (Shanghai) Ltd.	Sales of steel wall partition building materials, fire insulation partitions as well as grid	-	-	Note 4
Buima Holding Ltd.	Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Investment and holding	100%	100%	-
Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Manufactures of steel wall partition building materials, fire insulation partitions and grids	100%	100%	-
	OWA Metallic PTE. Ltd.	Investment and holding	-	-	Note 5
OWA Metallic PTE. Ltd.	OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	100%	100%	-
Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	OWA Metallic PTE. Ltd.	Investment and holding	51%	51%	Note 5
Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Syntech New Building Materials (Shanghai) Ltd.	Sales of steel wall partition building materials, fire insulation partition	100%	100%	Note 4
Buima (China) New Materials Ltd. (formerly：Jangsu Buima New Materials Ltd.)	Buima New Building Materials (Shanghai) Ltd.	Sales of stone plastic composite and provision of product consulting services	100%	100%	-

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2022	Ownership(%) December 31, 2021	Description
Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Shanghai Gotao Construction Engineering Co., Ltd.	All kinds of engineering construction activities, construction labor subcontracting, construction engineering design and other businesses	100%	100%	Note 3
Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Chongyou (Shenzhen) New Material Co., Ltd.	Manufacturing and sales of architectural and decoration materials, plumbing parts and other metal products for building.	60%	60%	Note 7

Note 1: The subsidiary completed the dissolution and liquidation on December 31, 2021.

Note 2: The Group acquired 25.18% equity interest in JOULES MILES CO., LTD. in September 2021 by purchasing shares from the original shareholders and participating in a cash capital increase in consideration of market trends and long-term strategic development. In addition, the Company obtained a majority vote in the shareholders' and board of directors' meeting by signing a letter of commitment with the majority shareholder to conduct its relevant activities, thus, it is classified as a subsidiary and has been included in the consolidated financial statements since the date of obtaining control.

Note 3: To meet the Group's development strategy in Mainland China market and develop a new business, the Group established a new wholly-owned subsidiary, Shanghai Gotao Construction Engineering Co., Ltd. in Shanghai, People's Republic of China on September 14, 2021.

Note 4: The Company's subsidiary, Syntech holding Co. Ltd., transferred its 100% equity interest in Syntech New Building Materials (Shanghai) Ltd. to Buima (China) New Materials Ltd. on December 31, 2021.

Note 5: The Company's subsidiary, Buima Holding Hong Kong Ltd., transferred its 51% equity interest in OWA Metallic PTE. Ltd. to Buima (China) New Materials Ltd. on December 31, 2021.

Note 6: The company is a subsidiary that was newly established in the fourth quarter of 2021 and held 80% of shares. In September 2022, the company acquired shares from other shareholders and increased the shareholding ratio to 100%.

Note 7: To meet the Group's development strategy in Mainland China market and develop a new business, the Group established and obtained 60% shares of Chongyou (Shenzhen) New Material Co., Ltd. on November 3, 2021.

Note 8: The Group acquired 45.83% equity interest in SHIN JIN COMPANY LIMITED in July 2022 by participating in a cash capital increase in consideration of market trends and long-term strategic development. In addition, the Group obtained a majority vote in the shareholders' and the board of directors' meeting by signing a letter of commitment with the majority shareholder to conduct its relevant activities, thus, it is classified as a subsidiary and has been included in the consolidated financial statements since the date of obtaining control.

Note 9: To meet the Group's development strategy in Taiwan market and develop energy related businesses, the Group established a new wholly-owned subsidiary on November 17, 2022.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiary that have non-controlling interests that is material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to $646,842 and $540,136, respectively. The information of non-controlling interest and respective subsidiary is as follows:

		Non-controlling interest			
		December 31, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
OWA Metallic PTE. Ltd.	Singapore	$ 117,744	49%	$ 113,083	49%
JOULES MILES CO., Ltd.	Taiwan	473,665	74.82%	414,158	74.82%
SHIN JIN COMPANY LIMITED	Taiwan	49,177	54.17%	-	-

Summarised financial information of the subsidiary:

Balance sheets

	OWA Metallic PTE. Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 231,139	$ 257,146
Non-current assets	42,516	54,598
Current liabilities	(33,362)	(80,963)
Total net assets	$ 240,293	$ 230,781

	JOULES MILES CO., LTD.	
	December 31, 2022	December 31, 2021
Current assets	$ 1,272,330	$ 1,255,758
Non-current assets	261,775	239,648
Current liabilities	(879,156)	(911,647)
Non-current liabilities	(37,474)	(45,737)
Total net assets	$ 617,475	$ 538,022

	SHIN JIN COMPANY LIMITED (Note)	
	December 31, 2022	December 31, 2021
Current assets	$ 267,392	$ 203,205
Non-current assets	12,366	12,601
Current liabilities	(184,946)	(168,663)
Non-current liabilities	(4,030)	(9,011)
Total net assets	$ 90,782	$ 38,132

Note: SHIN JIN COMPANY LIMITED and JOULES MILES CO., LTD. were included in the consolidated financial statement of the Group since July 2022 and September 2021, respectively.

Statements of comprehensive income

	OWA Metallic PTE. Ltd.	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	$ 312,602	$ 403,788
Profit (loss) for the year	5,804	(3,458)
Other comprehensive (loss) income, net of tax	(21,202)	5,316
Total comprehensive (loss) income for the year	($ 15,398)	$ 1,858
Comprehensive (loss) income attributable to non-controlling interest	($ 7,545)	$ 910

	JOULES MILES CO., LTD	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	$ 1,912,640	$ 1,739,546
Profit for the year	114,856	74,110
Other comprehensive loss, net of tax	-	(1)
Total comprehensive income for the year	$ 114,856	$ 74,109
Comprehensive income attributable to non-controlling interest	$ 85,935	$ 63,017
Dividends paid to non-controlling interest	$ 26,388	$ -

	SHIN JIN COMPANY LIMITED (Note)
	Year ended December 31, 2022
Revenue	$ 202,676
Loss for the year	(891)
Other comprehensive income, net of tax	-
Total comprehensive loss for the year	($ 891)
Comprehensive loss attributable to non-controlling interest	($ 483)

Note: SHIN JIN COMPANY LIMITED and JOULES MILES CO., LTD. were included in the consolidated financial statement of the Group since July 2022 and September 2021, respectively.

Statements of cash flows

	OWA Metallic PTE. Ltd.	
	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by (used in) operating activities	$ 24,776	($ 27,177)
Net cash provided by (used in) investing activities	4,522	(2,652)
Effect of exchange rates on cash and cash equivalents	(18,296)	341
Increase (decrease) in cash and cash equivalents	11,002	(29,488)
Cash and cash equivalents, beginning of year	11,430	40,918
Cash and cash equivalents, end of year	$ 22,432	$ 11,430

	JOULES MILES CO., LTD.	
	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by (used in) operating activities	$ 83,029	($ 95,424)
Net cash used in investing activities	(25,945)	(57,150)
Net cash (used in) provided by financing activities	(60,021)	154,073
Increase (decrease) in cash and cash equivalents	(2,937)	1,499
Cash and cash equivalents, beginning of year	247,345	245,846
Cash and cash equivalents, end of year	$ 244,408	$ 247,345

	SHIN JIN COMPANY LIMITED (Note)
	Year ended December 31, 2022
Net cash provided by operating activities	$ 45,486
Net cash provided by investing activities	797
Net cash used in financing activities	(52,936)
Decrease in cash and cash equivalents	(6,653)
Cash and cash equivalents, beginning of year	28,256
Cash and cash equivalents, end of year	$ 21,603

Note: SHIN JIN COMPANY LIMITED and JOULES MILES CO., LTD. were included in the consolidated financial statements of the Group since July 2022 and September 2021, respectively.

(4) <u>Foreign currency translation</u>

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is US dollars; however the consolidated financial statements are presented in New Taiwan Dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities. However, considering the effect of the efficiency of the Group's fundraising management, the Company changed its main function to having responsibility for the planning of the Group's fundraising activities and conducting fundraising activities in Taiwan mainly in New Taiwan dollars. In response to the change in economic environment, the Company's Board of Directors resolved to change the functional currency from U.S. dollars to New Taiwan dollars. In accordance with IAS 21, 'The effects of changes in foreign exchange rates', the accounting policy was deferred starting from January 1, 2021. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other income and expenses – net' or 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

The Group is engaged in the contracting of construction work and its operating cycle is usually longer than one year. Assets and liabilities related to construction work are classified as current or non-current based on the operating cycle; the remaining accounts classified as current or non-current are as follows:

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

The Group recognises, at each reporting date, the impairment provision for lifetime expected credit losses for accounts receivable or contract assets that do not contain a significant financing component.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 50	years
Machinery and equipment	3 ~ 10	years
Transportation equipment	5 ~ 10	years
Other equipment	2 ~ 10	years

(15)Leasing arrangements (lessor)－right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are mainly comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Level A construction qualification

Level A construction qualification is stated at cost based on the fair value when the business combination occurred and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Level A construction qualification is not amortised, but is tested annually for impairment.

D. Contract value

Contract value is stated at cost based on the fair value which was issued when the business combination occurred and is depreciated using the straight-line method to allocate the cost over the estimated completion schedules of construction contract (approximately 2~4 years).

E. Customer relationship

Customer relationships which are acquired during the business combinations are amortised on a straight-line basis over their estimated useful lives of 7 years.

F. Other intangible assets

Other intangible assets, mainly patents and trademarks, both are amortised on a straight-line basis over their estimated useful lives of 10 years.

(17) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

(18) Borrowings

Borrowings comprise of long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus-share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(26) <u>Share capital</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) <u>Dividends</u>

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) <u>Government grants</u>

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related assets as reduced depreciation expense.

(29) Revenue recognition

A. Sales of goods—wholesale

The Group manufactures and sells steel wall partition building materials, fire insulation partitions, grids, battery and battery pack products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Building material installment services

(a) The Group provides installation related services of building materials such as compartments, partitions and grids. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on installment costs incurred relative to the total expected installment costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include sales and installation services of building materials. The building materials and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total expected costs of that performance obligation. Conversely, the Group recognises revenue at an amount equal to the cost of a good if the good is not distinct and its cost is significant relative to the total expected costs, the customer is expected to obtain control of the good significantly before receiving services related to the good, and the Group procures the good from a third party and is not involved in designing and manufacturing the good by acting as a principal.

(c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Construction contract revenue

(a) Revenue is recognised based on the proportion to the incurred contract costs and satisfied over time. Contract consideration is derived from fixed and variable considerations, and customers pay a fixed amount according to an agreed schedule. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Consideration acquired due to transferring goods or services to customers is recognised in contract assets, which will be reclassified to accounts receivable when the Group has the right to collect the consideration without condition. However, when certain contracts require prior collection of certain considerations from customers, and the Group has an obligation to complete the construction subsequently, the Group shall recognise contract liabilities for the transaction.

(b) If the percentage of completion of a performance obligation cannot be estimated reliably, contract revenue should be recognised only to the extent of contract costs incurred that is probable to be recoverable.

(c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(d) The Group provides the standard warranty for construction which meets the regulation specified in the agreement and accounted for the standard warranty in accordance with IAS 37.

D. Financing component

As the time interval of payment exceeds one year among the Group signing a contract with certain customers, the transfer of committed goods or service to customer, the amount is small, so the Group does not separate the financial components to adjust the transaction price to reflect the time value of money.

(30) <u>Business combinations</u>

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured at the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1)Critical judgements in applying the Group's accounting policies

None.

(2)Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2022, the Group's goodwill amounted to $122,311.

B. Valuation of accounts receivable

In the process of assessing impairment of accounts receivable, the Group must use judgements and assumptions to measure the credit risk of accounts receivable to evaluate the expected credit loss. The credit risk is affected by various factors such as the customer's financial situation, the Group's internal credit rating, transaction history and others. The assessment depends on reasonable expectation about expected credit loss on the basis of the conditions existing at the balance sheet date. The estimation may differ from the actual result and may lead to significant changes.

As of December 31, 2022, the carrying amount of accounts receivable (including related parties) was $693,160.

C. Valuation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was $912,941.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 3,265	$ 3,260
Demand deposits checking accounts	331,645	458,363
Time deposits	125,293	-
	$ 460,203	$ 461,623

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Cash and cash equivalents pledged to others as collateral were classified as financial assets at amortised cost. Details are provided in Notes 6(3) and 8.

(2) Financial assets at fair value through profit or loss

使用滑鼠雙擊這裡以編輯新增的表格段。

(3) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Demand deposits (Impound)	$ 211,030	$ 99,226
Pledged demand deposits	12,300	15,000
Pledged time deposits	120,138	-
	$ 343,468	$ 114,226

Items	December 31, 2022	December 31, 2021
Non-current items:		
Demand deposits (Impound)	$ 24,926	$ 12,188
Pledged time deposits	-	101,500
	$ 24,926	$ 113,688

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income	$ 473	$ 470

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $368,394 and $227,914, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	$ 746,120	$ 763,475
Less: Allowance for bad debts	(74,875)	(61,460)
	$ 671,245	$ 702,015

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022	December 31, 2021
Not past due	$ 479,406	$ 553,667
Up to 90 days	79,499	74,485
91 to 180 days	37,244	12,556
Over 180 days	149,971	122,767
	$ 746,120	$ 763,475

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, and January 1, 2021, the balances of receivables (including notes receivable and related parties) from contracts with customers amounted to $851,232, $843,989 and $387,275, respectively.

C. The Group does not hold any collateral as security.

D. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the account receivable held by the Group was $671,245 and $702,015, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 635,538	($ 24,047)	$ 611,491
Work in progress	70,267	(1,497)	68,770
Finished goods	176,483	(19,391)	157,092
Merchandises	75,588	-	75,588
	$ 957,876	($ 44,935)	$ 912,941

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 459,051	($ 24,784)	$ 434,267
Work in progress	104,804	-	104,804
Finished goods	255,755	(13,005)	242,750
	$ 819,610	($ 37,789)	$ 781,821

The cost of inventories recognised as expense for the year:

	Year ended December 31, 2022	Year ended December 31, 2021
Cost of goods sold	$ 2,558,657	$ 1,206,666
Loss (gain from reversal) on decline in market value (Note)	6,924	(3,234)
Revenue from sale of scraps	(3,362)	(7,679)
Loss on inventory scrap	14,973	-
Others	3,628	2,798
	$ 2,580,820	$ 1,198,551

For the year ended December 31, 2021, the Group continued disposing obsolete inventories and, hence, reversed the previously recognised inventory valuation losses.

(6) Prepayments

	December 31, 2022	December 31, 2021
Prepayments to suppliers	$ 108,672	$ 197,304
Prepaid service expenses	2,831	3,420
Prepaid insurance premiums	3,779	3,650
Other prepaid expenses	12,226	23,582
	$ 127,508	$ 227,956

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(7) Property, plant and equipment

	Land	Buildings and structures	Owner-occupied Machinery and equipment	Owner-occupied Transportation equipment	Owner-occupied Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2022							
Cost	$ 78,438	$ 267,173	$ 504,078	$ 21,330	$ 72,558	$ 114,893	$ 1,058,470
Accumulated depreciation	-	(110,326)	(385,547)	(9,322)	(61,036)	-	(566,231)
	$ 78,438	$ 156,847	$ 118,531	$ 12,008	$ 11,522	$ 114,893	$ 492,239
2022							
Opening net book amount as at January 1	$ 78,438	$ 156,847	$ 118,531	$ 12,008	$ 11,522	$ 114,893	$ 492,239
Additions	-	38,282	18,324	1,873	8,878	41,706	109,063
Acquired from business combinations	4,650	2,245	-	281	-	-	7,176
Disposals	-	-	(660)	(3,502)	(6)	-	(4,168)
Reclassifications	-	129,201	4,143	-	1,661	(115,165)	19,840
Depreciation charge	-	(11,904)	(31,648)	(3,961)	(5,548)	-	(53,061)
Net exchange differences	-	1,327	1,208	201	213	2,063	5,012
Closing net book amount as at December 31	$ 83,088	$ 315,998	$ 109,898	$ 6,900	$ 16,720	$ 43,497	$ 576,101
At December 31, 2022							
Cost	$ 83,088	$ 440,217	$ 523,934	$ 16,620	$ 84,004	$ 43,497	$ 1,191,360
Accumulated depreciation	-	(124,219)	(414,036)	(9,720)	(67,284)	-	(615,259)
	$ 83,088	$ 315,998	$ 109,898	$ 6,900	$ 16,720	$ 43,497	$ 576,101

	Land	Buildings and structures	Owner-occupied Machinery and equipment	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2021							
Cost	$ -	$ 201,254	$ 377,024	$ 18,750	$ 49,947	$ 42,948	$ 689,923
Accumulated depreciation	-	(90,445)	(288,928)	(7,743)	(43,990)	-	(431,106)
	$ -	$ 110,809	$ 88,096	$ 11,007	$ 5,957	$ 42,948	$ 258,817
2021							
Opening net book amount as at January 1	$ -	$ 110,809	$ 88,096	$ 11,007	$ 5,957	$ 42,948	$ 258,817
Additions	-	-	3,665	6,186	2,330	57,064	69,245
Acquired from business combinations	78,438	47,624	46,271	145	5,828	814	179,120
Disposals	-	-	(1,321)	(2,944)	(39)	-	(4,304)
Reclassifications	-	9,143	3,471	-	-	14,320	26,934
Depreciation charge	-	(10,112)	(21,157)	(2,288)	(2,495)	-	(36,052)
Net exchange differences	-	(617)	(494)	(98)	(59)	(253)	(1,521)
Closing net book amount as at December 31	$ 78,438	$ 156,847	$ 118,531	$ 12,008	$ 11,522	$ 114,893	$ 492,239
At December 31, 2021							
Cost	$ 78,438	$ 267,173	$ 504,078	$ 21,330	$ 72,558	$ 114,893	$ 1,058,470
Accumulated depreciation	-	(110,326)	(385,547)	(9,322)	(61,036)	-	(566,231)
	$ 78,438	$ 156,847	$ 118,531	$ 12,008	$ 11,522	$ 114,893	$ 492,239

A. The significant components of buildings and structures mainly pertain to plants which are depreciated over 20 and 50 years.

B. Information on property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Group leases various assets including land use rights as well as buildings and structures. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets - buildings and structures may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022		December 31, 2021	
	Carrying amount		Carrying amount	
Land	$	139,211	$	74,590
Buildings and structures (including owner-occupied and for leasing)		37,051		31,521
Transportation equipment		4,370		502
	$	180,632	$	106,613

	Year ended December 31, 2022		Year ended December 31, 2021	
	Depreciation charge		Depreciation charge	
Land	$	2,140	$	1,813
Buildings and structures (including owner-occupied and for leasing)		11,607		3,852
Transportation equipment		2,339		385
	$	16,086	$	6,050

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets (including transferred from other non-current assets) were $86,184 and $8,516, respectively.

D. The Group's subsidiaries, Syntech New Building Materials (Shanghai) Ltd. and Buima (China) New Materials Ltd. entered into 50-year land use right agreements with local governments. Information about the land use right that was pledged to others as collaterals is provided in Note 8.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 663	$ 194
Expense on short-term lease contracts	11,401	10,245
Expense on leases of low-value assets	459	335
Gain on sublease of right-of-use assets	4,265	3,720

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases was $26,743 and $16,172, respectively.

(9) Intangible assets

	2022						
	Software	Contract value	Level A construction qualification	Customer relations	Goodwill	Others	Total
At January 1							
Cost	$ 16,718	$ 45,643	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 204,232
Accumulated amortisation and impairment	(11,628)	(24,595)	-	-	-	-	(36,223)
	$ 5,090	$ 21,048	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 168,009
Opening net book amount as at January 1	$ 5,090	$ 21,048	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 168,009
Additions-acquired separately	11,661	-	-	-	-	-	11,661
Additions-acquired through business combination	160	-	-	-	1,985	-	2,145
Amortisation charge	(3,087)	(11,223)	-	(2,918)	-	(46)	(17,274)
Net exchange differences	22	-	-	-	-	-	22
Closing net book amount as at December 31	$ 13,846	$ 9,825	$ 5,879	$ 12,404	$ 122,311	$ 298	$ 164,563
At December 31							
Cost	$ 28,637	$ 45,643	$ 5,879	$ 15,322	$ 122,311	$ 344	$ 218,136
Accumulated amortisation and impairment	(14,791)	(35,818)	-	(2,918)	-	(46)	(53,573)
	$ 13,846	$ 9,825	$ 5,879	$ 12,404	$ 122,311	$ 298	$ 164,563

	2021						
	Software	Contract value	Level A construction qualification	Customer relations	Goodwill	Others	Total
At January 1							
Cost	$ 4,147	$ 45,643	$ 5,879	$ -	$ 117,215	$ -	$ 172,884
Accumulated amortisation and impairment	(3,526)	(10,129)	-	-	-	-	(13,655)
	$ 621	$ 35,514	$ 5,879	$ -	$ 117,215	$ -	$ 159,229
Opening net book amount as at January 1	$ 621	$ 35,514	$ 5,879	$ -	$ 117,215	$ -	$ 159,229
Additions-acquired separately	1,381	-	-	-	-	-	1,381
Additions-acquired through business combination	4,503	-	-	15,322	3,111	344	23,280
Amortisation charge	(1,411)	(14,466)	-	-	-	-	(15,877)
Net exchange differences	(4)	-	-	-	-	-	(4)
Closing net book amount as at December 31	$ 5,090	$ 21,048	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 168,009
At December 31							
Cost	$ 16,718	$ 45,643	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 204,232
Accumulated amortisation and impairment	(11,628)	(24,595)	-	-	-	-	(36,223)
	$ 5,090	$ 21,048	$ 5,879	$ 15,322	$ 120,326	$ 344	$ 168,009

A. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2022	December 31, 2021
Construction department	$ 117,215	$ 117,215
Sales of battery department	3,111	3,111
Sales of steel department	1,985	-
	$ 122,311	$ 120,326

B. For the years ended December 31, 2022 and 2021, the Group's intangible assets recognised as selling expenses and administrative expenses amounted to $17,274 and $15,877, respectively.

C. The significant assumptions for the Group's goodwill impairment test for the years ended December 31, 2022 and 2021 is shown below. No impairment loss was recognised because the recoverable amount was greater than the carrying amount.

	Year ended December 31, 2022	Year ended December 31, 2021
Discount rate	10.87%～16.60%	10.87%

(10) Other non-current assets

	December 31, 2022	December 31, 2021
Refundable deposits	$ 129,338	$ 129,764
Prepayment for land approval fee	-	60,768
Prepayment for equipment	83,076	51,590
	$ 212,414	$ 242,122

A. The land approval fee on December 31, 2021 was reclassified as 'right-of-use assets – land' on November 7, 2022 since the Group obtained the land use right certificate.

B. Information about other non-current assets that were pledged to others as collaterals is provided in Note 8.

(11) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 895,788	1.85%~6.10%	Financial assets at amortised cost, land, buildings and structures, land use right and small and medium enterprise credit guarantee fund
Unsecured borrowings	217,382	1.96%~4.15%	None
	$ 1,113,170		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 925,112	1.24%~4.90%	Financial assets at amortised cost, land, buildings and structures and land use right

(12) Financial liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities held for trading		
Derivative instruments	$ 3,010	$ 1,270
Valuation adjustment	234	510
	$ 3,244	$ 1,780

A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below:

	Year ended December 31, 2022	Year ended December 31, 2021
Net gains (losses) recognised in profit		
Financial liabilities held for trading		
Derivative instruments	$ 276	($ 510)

B. Derivative instruments on December 31, 2022 and 2021 are put options embedded in convertible bonds issued by the Group. Refer to Note 6(15) for details.

(13) Accounts payable

	December 31, 2022	December 31, 2021
Accounts payable	$ 183,803	$ 205,146
Estimated accounts payable	21,745	98,378
	$ 205,548	$ 303,524

(14) Other payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	$ 74,316	$ 90,705
Payable on machinery and equipment	30,560	-
Others	45,757	86,308
	$ 150,633	$ 177,013

(15) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	$ 393,600	$ 293,600
Less: Discount on bonds payable	(13,291)	(9,899)
	380,309	283,701
Less: Current portion or exercise of put options	(287,782)	-
	$ 92,527	$ 283,701

A. The issuance of the first domestic convertible bonds by the Company:

(a) The terms of the first domestic secured convertible bonds issued by the Company are as follows:

i. The Company issued $200,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 12, 2021 ~ July 12, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 12, 2021.

ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.

iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 1.0025% of the face value as interests upon two years from the issue date.

v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2022, the Company did not have the convertible bonds converted into common shares.

B. The issuance of the second domestic convertible bonds for 2021 by the Company:

(a) The terms of the first domestic secured convertible bonds issued by the Company are as follows:

i. The Company issued $100,000, 0% second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 13, 2021 ~ July 13, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 13, 2021.

ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.

iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 2.01% of the face value as interests upon two years from the issue date.

v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2022, the bonds totaling $6,400 (face value) had been converted into 105 thousand shares of common stock.

C. The issuance of the third domestic convertible bonds for 2022 by the Company:

(a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $100,000, 0% the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (December 14, 2022 ~ December 14, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on December 14, 2022.

ii. The bondholders have the right to ask for conversion of the bonds into common shares during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted; however, the reset conversion price shall not be less than 80% of the conversion price set on the issue date.

iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 4.04% of the face value as interests upon two years from the issue date.

v. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2022, the Company did not have the convertible bonds converted into common shares.

D. Regarding the issuance of convertible bonds, the non-equity conversion options, call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged between 1.0406% and 2.6714%.

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank				
Secured borrowings	Borrowing period of NTD is from August 17, 2021 to October 1, 2023; interest is repayable monthly.	2.05%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	$ 10,556
Secured borrowings	Borrowing period of NTD is from April 13, 2022 to April 13, 2024; interest is repayable monthly.	2.39%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	13,148
Secured borrowings	Borrowing period of NTD is from April 22, 2022 to April 22, 2025; interest is repayable monthly.	2.63%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	23,041
Secured borrowings	Borrowing period of NTD is from August 19, 2022 to November 19, 2026; interest is repayable monthly.	2.65%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan, reserve account	58,290
Secured borrowings	Borrowing period of NTD is from July 27, 2020 to July 27, 2025; interest is repayable monthly. (Note)	2.93%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	3,100
Secured borrowings	Borrowing period of NTD is from August 17, 2020 to August 17, 2023; interest is repayable monthly.	2.35%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	903
Secured borrowings	Borrowing period of NTD is from June 15, 2021 to June 15, 2024; interest is repayable monthly. (Note)	2.88%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	4,999

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank				
Secured borrowings	Borrowing period of NTD is from October 7, 2022 to October 7, 2024; interest is repayable monthly.	2.67%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	$ 3,436
Secured borrowings	Borrowing period of RMB is from December 25, 2020 to October 27, 2025; interest is repayable monthly.	3.80%	Machinery and equipment	45,907
Secured borrowings	Borrowing period of NTD is from February 25, 2016 to February 25, 2026; interest is repayable monthly.	1.97%～2.16%	Land, buildings and structures	23,090
Unsecured borrowings	Borrowing period of USD is from August 26, 2020 to August 25, 2023; interest is repayable quarterly.	6.43%	None	46,986
Secured borrowings	Borrowing period of USD is from June 22, 2022 to June 20, 2025; interest is repayable quarterly.	6.43%	Reserve account	27,715
Long term bank borrowings				
Secured borrowings	Borrowing period of RMB is from July 28, 2022 to July 20, 2025; interest is repayable monthly.	3.85%	Machinery and equipment, unfinished construction and equipment under acceptance	18,912
				280,083
Less: current portion				(149,745)
				$ 130,338

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Long term bank borrowings				
Secured borrowings	Borrowing period of NTD is from August 17, 2021 to October 1, 2023; interest is repayable monthly.	2.05%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	$ 20,000
Secured borrowings	Borrowing period of NTD is from May 10, 2022 to April 10, 2022; interest is repayable monthly.	2.05%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	19,423
Secured borrowings	Borrowing period of RMB is from December 25, 2020 to October 27, 2025; interest is repayable monthly.	3.80%	Machinery and equipment	58,985
Secured borrowings	Borrowing period of NTD is from February 25, 2016 to February 25, 2026; interest is repayable monthly.	1.24%～1.47%	Land, buildings and structures	26,234
Secured borrowings	Borrowing period of USD is from August 26, 2020 to August 25, 2023; interest is repayable quarterly.	1.68%	Reserve account	
				66,432
				191,074
Less: current portion				(86,715)
				$ 104,359

Note: The long-term borrowings increased arising from business combination on July 1, 2022.

(17) Pensions

A. The Company's mainland China subsidiaries, OWA New Building Materials (Shanghai) Ltd., Buima (China) New Materials Ltd. (formerly: Jiangsu Buima New Materials Ltd.), Syntech New Building Materials (Shanghai) Ltd., Buima New Materials (Shanghai) Ltd., Shanghai Gotao Construction Engineering Co., Ltd., Chongyou (Shenzhen) New Material Co., Ltd. and Hong-Ji International Trading (Shanghai) Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2022 and 2021, was all 16%. Other than the monthly contributions, the Group has no further obligations.

B. The Company and its domestic investees have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company's domestic branches contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The above pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were $24,846 and $16,480, respectively.

(18) Provisions

	At January 1	Additional provisions	Used during the year	At December 31
2022				
Provision for warranty	$ 22,872	$ 3,334	($ 387)	$ 25,819

	At January 1	Additional provisions	Used during the year	At December 31
2021				
Provision for warranty	$ 5,422	$ 17,620	($ 170)	$ 22,872

Analysis of total provisions:

	December 31, 2022	December 31, 2021
Current	$ 7,327	$ 6,862
Non-current	$ 18,492	$ 16,010

The Group gives warranties on the completed construction contract. Provision for warranty is referenced on historical warranty data.

(19) Share capital

A. On December 31, 2022, the Company calculated the share capital based on the historical exchange rate of issued shares amounting to NT$373,045, and the issued share was 37,305 thousand shares with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

(units: in thousand shares)

	2022	2021
At January 1	$ 37,305	$ 35,700
Cash capital increase	-	1,500
Conversion of convertible bonds	-	105
At December 31	$ 37,305	$ 37,305

B. On April 16, 2021, the Board of Directors adopted a resolution to increase capital by issuing common stock amounting to $1,500 thousand shares, and approved by the Financial Supervisory Commission on June 8, 2021.

C. Refer to Note 6(15) for the details of the request for conversion of convertible bonds.

(20) Capital surplus

A. Under the Company's Articles of Incorporation, capital surplus shall be proposed by the Board of Directors and resolved by the shareholders to cover accumulated deficit, capitalise or distribute.

B. The shareholders resolved the Company to distribute cash by capital surplus on June 6, 2022 and August 12, 2021, respectively. Refer to Note 6(21) for details.

C. The Board of Directors resolved the Company to distribute cash by capital surplus of $29,844 (NT$0.8 (in dollars) per share) on March 27, 2023, and is yet to be resolved by the shareholders.

(21) Retained earnings

A. Under the Company's Articles of Incorporation, while listing on any security market in the R.O.C, earnings will be distributed upon the Board of Directors' proposal for earnings distribution and approval by the stockholders. The restrictions on the yearly earnings distribution are as follows:

(a) Paying all taxes.

(b) Offsetting accumulated deficits.

(c) Setting aside 10% earnings as legal reserve in accordance with the public offering regulations until the legal reserve equals the paid-in capital.

(d) Based on the resolution of the Board of Directors of the Company, appropriate special reserve in accordance with the Company's Articles of Incorporation or as required by the securities exchange regulations.

(e) At least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends in the form of cash or new shares.

B. The Company's dividend policy is summarised below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 15% of the total dividends distributed.

C. The appropriation of 2021 and 2020 earnings and cash distribution with capital surplus as resolved by the shareholders on June 6, 2022 and August 12, 2021 respectively, are as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 11,822		$ 2,866	
Special reserve	(1,545)		(1,930)	
Cash dividends	37,304	$ 1	24,990	$ 0.70
Cash dividends distributed using capital surplus	37,304	1	10,710	$ 0.30
	$ 84,885		$ 36,636	

D. Dividends attributed to the owners which were recogised during the years ended December 31, 2022 and 2021 amounted to $37,304 and $24,990, respectively.

(22) Other equity items

	2022	2021
Currency translation		
At January 1	($ 54,063)	($ 55,608)
–Group	13,352	(57)
–Tax on Group	5,110	1,602
At December 31	($ 35,601)	($ 54,063)

(23) Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers		
-Sale of goods	$ 2,916,171	$ 1,539,261
-Construction revenue	588,872	1,148,842
-Revenue from processing	51,602	30,684
	$ 3,556,645	$ 2,718,787

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2022	Building materials - wholesale	Engineering construction	Sales of battery: Battery products	Sales of battery: Revenue from processing	Total
Domestic revenue	$ 812,895	$ 588,872	$ 613,161	$ 12,470	$ 2,027,398
Export revenue	242,239	-	1,247,876	39,132	1,529,247
Total	$ 1,055,134	$ 588,872	$ 1,861,037	$ 51,602	$ 3,556,645
Timing of revenue recognition					
At a point in time	$ 1,055,134	$ -	$ 1,861,037	$ 51,602	$ 2,967,773
Over time	-	588,872	-	-	588,872
	$ 1,055,134	$ 588,872	$ 1,861,037	$ 51,602	$ 3,556,645

Year ended December 31, 2021	Building materials - wholesale	Engineering construction	Sales of battery: Battery products	Sales of battery: Revenue from processing	Total
Domestic revenue	$ 560,729	$ 1,148,842	$ 467,015	$ 2,109	$ 2,178,695
Export revenue	348,904	-	162,613	28,575	540,092
Total	$ 909,633	$ 1,148,842	$ 629,628	$ 30,684	$ 2,718,787
Timing of revenue recognition					
At a point in time	$ 909,633	$ -	$ 629,628	$ 30,684	$ 1,569,945
Over time	-	1,148,842	-	-	1,148,842
	$ 909,633	$ 1,148,842	$ 629,628	$ 30,684	$ 2,718,787

B. Contract assets and liabilities

(a) As of December 31, 2022, December 31, 2021 and January 1, 2021, the Group recognised revenue-related contract assets (mainly construction agreement) of $291,594, $195,378 and $108,756 and liabilities (mainly advanced sales receipt and construction agreement) of $125,156, $18,730 and $70,726, respectively.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year.

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Building material	$ 3,204	$ 20,398
Battery product	4,331	-
Construction agreement	11,195	48,909
	$ 18,730	$ 69,307

(24) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	$ 1,908	$ 873
Other interest income	-	16
	$ 1,908	$ 889

(25) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Rent income	$ 5,077	$ 3,720
Government grants	-	9,251
Claims income	8,811	-
Other income, others	7,146	5,979
	$ 21,034	$ 18,950

(26) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Losses on disposals of property, plant and equipment	($ 630)	($ 635)
Foreign exchange gains (losses)	46,307	(2,044)
Gains (losses) on financial liabilities at fair value through profit or loss	276	(510)
Other losses	(1,474)	(3,957)
	$ 44,479	($ 7,146)

(27) Finance costs

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense		
Bank borrowings	$ 38,920	$ 19,644
Convertible bonds	3,908	1,803
Lease liability	663	194
Imputed interest on deposits	38	-
	$ 43,529	$ 21,641

(28) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Employee benefit expense	$ 496,515	$ 332,512
Depreciation charges on property, plant, equipment and right-of-use assets	69,147	42,102
Amortisation	17,274	15,877
	$ 582,936	$ 390,491

(29) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 402,002	$ 276,198
Labour and health insurance fees	44,013	21,868
Pension costs	24,846	16,480
Other personnel expenses	25,654	17,966
	$ 496,515	$ 332,512

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% and shall not be higher than 10% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $0 and $1,368, respectively; while directors' remuneration was accrued at $0 and $1,368, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2022, no employees' compensation and directors' remuneration was accrued because of losses incurred for the year.

Employees' compensation and directors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ 43,469	$ 77,790
Prior year income tax overestimation	(7,466)	(3,323)
Tax on undistributed surplus earnings	4,567	-
Total current tax	40,570	74,467
Deferred tax:		
Origination and reversal of temporary differences	(1,425)	5,248
Income tax expense	$ 39,145	$ 79,715

(b) The income tax (charge)/credit relating to components of other comprehensive (loss) income is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Currency translation differences	($ 5,110)	($ 1,602)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 30,253	$ 60,515
Effects from items disallowed by tax regulation	59	1,099
Temporary difference not recognised as deferred tax assets	(1,042)	(190)
Taxable loss not recognised as deferred tax assets	12,774	12,875
Effect from investment tax credits	(7,466)	(3,323)
Change in assessment of realisation of deferred tax assets	-	8,739
Tax on undistributed earnings	4,567	-
Income tax expense	$ 39,145	$ 79,715

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2022					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	Business combinations	December 31
Temporary differences:						
—Deferred tax assets:						
Allowance for inventory valuation losses	$ 4,675	$ 62	$ -	$ -	$ -	$ 4,737
Unused compensated absences	178	261	-	-	-	439
Unrealised exchange loss	257	(257)	-	-	-	-
Warranties	3,640	589	-	-	-	4,229
Other	-	733	-	-	1,286	2,019
	$ 8,750	$ 1,388	$ -	$ -	$ 1,286	$ 11,424
—Deferred tax liabilities:						
Effect from foreign earnings income	2,496	-	-	(41)	-	2,455
Currency translation difference	10,702	-	(5,110)	(1,078)	-	4,514
Intangible assets	10,304	-	-	-	-	10,304
Other	191	(37)	-	-	-	154
	$ 23,693	($ 37)	($ 5,110)	($ 1,119)	$ -	$ 17,427
	($ 14,943)	$ 1,425	$ 5,110	$ 1,119	$ 1,286	($ 6,003)

	2021					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	Business combinations	December 31
Temporary differences:						
—Deferred tax assets:						
Effect from foreign loss of investment	$ 8,907	($ 8,856)	$ -	($ 51)	$ -	$ -
Allowance for Inventory Valuation Losses	-	(17)	-	-	4,692	4,675
Unused compensated absences	-	-	-	-	178	178
Unrealised exchange loss	-	257	-	-	-	257
Warranties	150	3,490	-	-	-	3,640
	9,057	(5,126)	-	(51)	4,870	8,750
—Deferred tax liabilities:						
Effect from foreign earnings income	2,496	-	-	-	-	2,496
Currency translation difference	12,393	-	(1,602)	(89)	-	10,702
Intangible assets	10,304	-	-	-	-	10,304
Other	-	122	-	-	69	191
	25,193	122	(1,602)	(89)	69	23,693
	($ 16,136)	($ 5,248)	$ 1,602	$ 38	$ 4,801	($ 14,943)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(a) Subsidiaries in PRC

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax	Expiry year
2018	Amount assessed	$ 3,544	$ 3,544	2023
2020	Amount assessed	20,733	20,733	2025
2021	Amount assessed	41,949	41,949	2026
2022	Estimated amount filed	40,536	40,536	2027

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax	Expiry year
2018	Amount assessed	$ 3,544	$ 3,544	2023
2020	Amount assessed	20,733	20,733	2025
2021	Estimated amount filed	42,517	42,517	2026

(b) Buima Group Inc. Taiwan subsidiary / branch

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax	Expiry year
2015	Amount assessed	$ 3,488	$ 3,488	2025
2016	Amount assessed	7,285	7,285	2026
2017	Amount assessed	9,728	9,728	2027
2018	Amount assessed	10,511	10,511	2028
2019	Amount assessed	18,299	18,299	2029
2020	Amount assessed	9,863	9,863	2030
2021	Amount filed	8,712	8,712	2031
2022	Estimated amount filed	14,197	13,200	2032

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax	Expiry year
2015	Amount assessed	$ 3,488	$ 3,488	2025
2016	Amount assessed	7,285	7,285	2026
2017	Amount assessed	9,728	9,728	2027
2018	Amount assessed	10,511	10,511	2028
2019	Amount assessed	18,299	18,299	2029
2020	Amount assessed	9,863	9,863	2030
2021	Estimated amount filed	11,230	11,230	2031

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 15,248	$ 19,529

F. The Company's income tax returns of the Taiwan branch and the Company's subsidiary, Unitory Construction Co., Ltd., JOULES MILES CO., LTD. and SHIN JIN COMPANY LIMITED through 2020 have been assessed and approved by the Tax Authority.

(31) (Loss) earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic and diluted earnings per share			
Loss attributable to ordinary shareholders of the parent	($ 60,962)	37,305	($ 1.63)

Note: The Group’s convertible bonds had anti-dilution effect for the year ended December 31, 2022, and were not included in the conversion of potential ordinary shares that had an anti-dilution effect on loss per share.

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 118,225	36,248	$ 3.26
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 118,225	36,248	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	9,035	4,660	
Employees’ compensation	-	21	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 127,260	40,929	$ 3.11

(32) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

The Company acquired an additional 20% outstanding shares of PowerGain Technology Corporation Limited by cash of $4,000 in September 2022. The carrying amount of non-controlling interest in PowerGain Technology Corporation Limited was $3,867 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $$3,867 and a decrease in the equity attributable to owners of the parent by $33. The effect of changes in interests in PowerGain Technology Corporation Limited on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	December 31, 2022
Carrying amount of non-controlling interest acquired	$ 3,867
Consideration paid to non-controlling interest	(4,000)
Retained earnings	($ 133)
Equity attributable to owners of the parent	($ 33)

No such issue for the year ended December 31, 2021.

(33) Business combination

A. In order to develop the diversified operation of the enterprise and meet the needs of future business expansion, in July 2022 and September 2021, the Group acquired 45.83% and 25.18% shares in SHIN JIN COMPANY LIMITED and JOULES MILES CO., LTD. at a consideration of $44,000 and $131,400 and obtained the control over SHIN JIN COMPANY LIMITED and JOULES MILES CO. LTD., respectively.

B. The following table summarises the consideration paid for SHIN JIN COMPANY LIMITED and JOULES MILES CO., LTD. and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	SHIN JIN COMPANY LIMITED	JOULES MILES CO. LTD.
	July 1, 2022	September 1, 2021
Acquired for consideration		
Cash	$ 44,000	$ 131,400
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	49,659	381,199
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	28,256	255,425
Current financial assets at amortised cost	8,000	-
Notes and accounts receivable	172,712	356,229
Other receivables	1,910	10,474
Inventories	106,844	415,061
Other current assets	1,222	79,161
Property, plant and equipment	7,176	179,120
Other non-current assets	7,119	36,783
Bank borrowings	(51,168)	(404,282)
Notes and accounts payable	(180,344)	(290,168)
Other payables	(901)	(72,167)
Othetr current liabilities	(6,444)	(54,450)
Other non-current liabilities	(2,868)	(21,867)
Total identifiable net assets	91,514	489,319
Acquisition of identifiable intangible assets		
Computer software	$ 160	$ 4,503
Patents	-	212
Trademarks	-	132
Customer relationship	-	15,322
Total identifiable intangible net assets	160	20,169
Goodwill acquired from business combination	$ 1,985	$ 3,111

C. Since the Group merged Joules Miles Co., Ltd. on September 1, 2021, the operating income and net income before tax of Joules Miles Co., Ltd. amounted to $660,312 and $51,177, respectively. Assuming that Joules Miles Co., Ltd. is included in the consolidation from January 1, 2021, the Group's operating income and net income before tax amounted to $3,776,612 and $263,386, respectively.

D. The Group obtained the acquisition price allocation report at the acquisition date of JOULES MILES CO., LTD. in September 2022, so it planned to retrospectively adjust the financial statements on September 1, 2021 based on the reported amount. The main reconciliation pertained to increases of intangible assets - customer relationship of $15,322, intangible assets - others of $344, deferred tax liabilities of $69 and non-controlling interest of $11,670, and decreases in intangible assets - goodwill of $3,927.

E. The operating revenue included in the consolidated statement of comprehensive income starting July 1, 2022 contributed by SHIN JIN COMPANY LIMITED was $202,676. SHIN JIN COMPANY LIMITED also contributed loss before income tax of ($1,562) over the same period. Had SHIN JIN COMPANY LIMITED been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of $3,815,867 and profit before income tax of $56,323.

(34) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of property, plant and equipment	$ 109,063	$ 69,245
Less: Ending balance of payable on equipment	(30,560)	-
Cash paid during the year	$ 78,503	$ 69,245

B. Investing activities with no cash flow effects

	Year ended December 31, 2022	Year ended December 31, 2021
Other non-current assets transferred to property, plant and equipment	$ 19,840	$ 26,934
Other non-current assets transferred to right-of-use assets	$ 60,768	$ -

(35) Changes in liabilities from financing activities

	January 1, 2022	Changes in cash flow from financing activities	Acquired from business combinations	Changes in other non-cash items	Effect of exchange rate changes	December 31, 2022
Short-term borrowings	$ 925,112	$ 130,693	$ 39,230	$ -	$ 18,135	$ 1,113,170
Long-term borrowings	191,074	68,813	11,938	-	8,258	280,083
Lease liability	32,772	(14,220)	2,868	21,980	-	43,400
Bonds payable	283,701	100,000	-	(3,392)	-	380,309
Guarantee deposits received	3,725	(1,132)	-	-	-	2,593
	$ 1,436,384	$ 284,154	$ 54,036	$ 18,588	$ 26,393	$ 1,819,555

	January 1, 2021	Changes in cash flow from financing activities	Acquired from business combinations	Changes in other non-cash items	Effect of exchange rate changes	December 31, 2021
Short-term borrowings	$ 448,484	$ 106,163	$ 377,000	$ -	($ 6,535)	$ 925,112
Long-term borrowings	232,867	(64,655)	27,282	-	(4,420)	191,074
Lease liability	346	(5,414)	29,324	8,516	-	32,772
Bonds payable	-	302,000	-	(18,299)	-	283,701
Guarantee deposits received	918	2,794	13	-	-	3,725
	$ 682,615	$ 340,888	$ 433,619	($ 9,783)	($ 10,955)	$ 1,436,384

7. RELATED PARTY TRANSACTIONS

(1)Names of related parties and relationship

Names of related parties	Relationship with the Company
Odenwald Faserplattenwerk GmbH(Odenwald)	Other related party
POWERSKY TECHNOLOGY CORPORATION (POWERSKY TECHNOLOGY) (Note)	Other related party

Note: Joules Miles Co., Ltd. became a related party of the Group ever since the Group acquired the company on September 1, 2021.

(2)Significant related party transactions

A. Sales:

	Year ended December 31, 2022	Year ended December 31, 2021
Sales of goods:		
- Odenwald	$ 202,931	$ 293,432
- POWERSKY TECHNOLOGY	-	345
	$ 202,931	$ 293,777

Goods are sold to other related parties based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 30~120 days after the date of sales.

B. Purchases:

	Year ended December 31, 2022	Year ended December 31, 2021
Purchases of goods:		
-POWERSKY TECHNOLOGY	$ 296,046	$ 129,371

The purchase price and payment terms for other related parties are in accordance with mutual agreement, and the payment for the purchase transaction is due within 90 to 150 days after the purchase date. The payables bear no interest.

C. Manufacturing expense – other expenses

	Year ended December 31, 2022	Year ended December 31, 2021
POWERSKY TECHNOLOGY	$ 5,680	$ 1,777

D. Receivables from related parties:

	December 31, 2022	December 31, 2021
Accounts receivable:		
Odenwald	$ 21,915	$ 70,532

The receivables from related parties arise mainly from sale transactions and sales of property, plant and equipment. The receivables are due four months after the date of sales. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

E. Payables to related parties:

	December 31, 2022	December 31, 2021
Notes payable:		
-POWERSKY TECHNOLOGY	$ 114,632	$ 80,814
Accounts payable:		
-POWERSKY TECHNOLOGY	-	77,723
	$ 114,632	$ 158,537

The payables to the related parties are mainly from purchase transactions and payment for purchase transaction are matured within 150 days after the date of purchase. The payables bear no interest.

F. Property transactions - acquisition of equity

In September 2022, the Group acquired 20% equity interest of PowerGain Technology Corporation Limited from POWERSKY TECHNOLOGY for $4,000. There were no such transactions for the year December 31, 2021.

(3)Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and other short-term employee benefits	$ 12,810	$ 11,101

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Current financial assets at amortised cost	$ 343,468	$ 114,226	Short-term loan, guarantee for corporate bond, performance guarantee
Non-current financial assets at amortised cost	24,926	113,688	Long-term loan, guarantee for corporate bond
Property, plant and equipment - land	58,091	58,091	Short-term loan, long-term loan
Property, plant and equipment - buildings and structure	282,597	139,744	Short-term loan, long-term loan
Property, plant and equipment - machinery and equipment	40,899	39,978	Long-term loan
Property, plant and equipment-unfinished construction and equipment under acceptance	17,834	-	Long-term borrowings
Right-of-use assets - land use right	130,641	37,852	Short-term loan
Other non-current assets - guarantee deposits paid (performance guarantee)	79,184	88,962	Performance guarantee
Other non-current assets - guarantee deposits paid (bid bond)	3,867	7,355	Bid bond
	$ 981,507	$ 599,896	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1)Contingencies

None.

(2)Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 120,598	$ 53,985

B. As of December 31, 2022 and 2021, performance guarantee letters issued for construction undertaking, warranty and leases of the Group amounted to $372,795 and $294,880, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) In order to restructure the investment structure, the Company increased the cash capital of BUIMA ENERGY INC. amounting to $211,832 on February 7, 2023, and BUIMA ENERGY INC. acquired the equity interests of JOULES MILES CO., LTD. and SHIN JIN COMPANY LIMITED originally directly held by the Company.

(2) On October 18, 2022, the Board of Directors of the Company resolved to issue the fourth domestic unsecured convertible bonds as approved by the Financial Supervisory Commission on November 22, 2022. The content and terms are as follows:

A. Total issuance amount: $100,000

B. Issuance period: 3 years

C. Coupon rate: 0%

D. Effective date: February 13, 2023

E. Other information: The borrowing amounts of issuance of the fourth domestic unsecured convertible bonds had been fully collected on February 17, 2023. The remaining conversion and redemption methods are conducted in accordance with the relevant laws. The relevant information is posted in the Market Observation Post System.

(3) On March 6, 2023, the Board of Directors of the Company resolved to increase its capital by issuing 2,000 thousand ordinary shares with par value of $10 (in dollars) per share, totalling $20,000. The effective date for capital increase was set on April 12, 2023. The subscription price will be announced separately. As of March 27, 2023, the fund raising has not been completed.

(4) To replenish the Company's working capital, reinvest subsidiaries or invest new business, the Board of Directors of the Company resolved to issue ordinary shares through private placement on March 27, 2023. The maximum number of shares is 5,000 thousand shares with par value of $10 (in dollars) per share, and it is yet to be resolved by the shareholders.

(5) In order to strengthen the autonomy of the 'Protection Circuit Modules' ("PCM") manufacturing process, improve production scheduling to maximize enterprise operation efficiency and enhance the competitiveness of the corporate, the Board of Directors of the Company's second-tier subsidiary, PowerGain Technology Corporation Limited, resolved to acquire the assets needed for PCM business (including inventories, machinery equipments and office equipments) from the substantive related party, POWERSKY TECHNOLOGY CORPORATION, for $120,000 on March 24, 2023.

(6) Due to the operating consideration, the Board of Directors of the Company's second-tier subsidiary, PowerGain Technology Corporation Limited, resolved to increase its capital by issuing 3,000 thousand new shares on March 24, 2023. The face value per share and issuing price were both NT$10 (in dollars).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2022, the Group's strategy, after considering the economic circumstances, business stage of gross model of the Group, significant investment plan in the future and long-term finance structure, was unchanged from 2021. The gearing ratios at December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total borrowings	$ 1,773,562	$ 1,399,887
Less: Cash	(460,203)	(461,623)
Net debt	1,313,359	938,264
Total equity	1,343,063	1,338,597
Total capital	$ 2,656,422	$ 2,276,861
Gearing ratio	49%	41%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss - equity securities	$ 4,780	$ 4,780
Financial assets at amortised cost		
Cash and cash equivalents	460,203	461,623
Financial assets at amortised cost	368,394	227,914
Notes receivable	83,197	9,982
Accounts receivable	671,245	702,015
Accounts receivable due from related parties	21,915	70,532
Other receivables	16,407	22,219
Guarantee deposits paid	129,338	129,764
	$ 1,750,699	$ 1,624,049
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading - derivative instrument	$ 3,244	$ 1,780
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,113,170	$ 925,112
Notes payable	228,125	133,322
Notes payable to related party	114,632	80,814
Accounts payable	205,548	303,524
Accounts payable to related party	-	77,723
Other payables	150,633	177,013
Bonds payable (including current portion)	380,309	283,701
Long-term borrowings (including current portion)	280,083	191,074
Guarantee deposits received	2,593	3,725
	$ 2,475,093	$ 2,176,008
Lease liability	$ 43,400	$ 32,772

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally, and its businesses involve some non-functional currency operations, and is exposed to foreign exchange risk arising from various currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022			Year ended December 31, 2022	
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:RMB	$ 1,605	6.96	$ 49,520	1%	$ 495
USD:NTD	10,728	30.71	329,457	1%	3,295
Financial liabilities					
Monetary items					
USD:NTD	858	30.71	26,349	1%	263

	December 31, 2021			Year ended December 31, 2021	
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:RMB	$ 2,895	6.37	$ 80,134	1%	$ 801
USD:NTD	17,181	27.68	475,570	1%	4,756
Financial liabilities					
Monetary items					
USD:RMB	9	6.37	57	1%	1
USD:NTD	1,970	27.68	54,530	1%	545

ii. Total exchange gain (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to $46,307 and ($2,044), respectively.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in RMB and USD, respectively.

ii. If the borrowing interest rate had increased/decreased by 0.25% or with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $2,787 and $2,155, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable, accounts receivable and contract assets based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. In line with credit risk management procedure, except for some customers whose collection schedules are based on mutual agreements, general customers are considered to be in default when the contract payments are past due over 180 days

v. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit risk on trade and customer types. The Group applies the modified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

At December 31, 2022	Not past due	Up to 90 days past due	91～180 days past due
Expected loss rate	0.01%～1.00%	0.38%～3.00%	2.04%～15.00%
Total book value	$ 479,406	$ 79,499	$ 37,244
Loss allowance	(4,054)	(537)	(964)

	181～365 days past due	Over one year past due	Total
Expected loss rate	15.00%～25.00%	58.25%～100.00%	
Total book value	$ 50,069	$ 99,902	$ 746,120
Loss allowance	(7,584)	(61,736)	(74,875)

At December 31, 2021	Not past due	Up to 90 days past due	91～180 days past due
Expected loss rate	0.30%～2.78%	0.30%～3.18%	0.30%～11.05%
Total book value	$ 553,667	$ 74,485	$ 12,556
Loss allowance	(536)	(389)	(746)

	181～365 days past due	Over one year past due	Total
Expected loss rate	7.23%～16.48%	16.55%～100%	
Total book value	$ 34,556	$ 88,211	$ 763,475
Loss allowance	(4,966)	(54,823)	(61,460)

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2022	2021
At January 1	$ 61,460	$ 61,081
Provision for impairment	10,521	4,446
Write-offs	-	(3,689)
Effect of foreign exchange	2,894	(378)
At December 31	$ 74,875	$ 61,460

(c) Liquidity risk

i. Surplus cash held by the Group over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2022 and 2021, the Group held money market position of $456,938 and $458,363, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
Non-derivative financial liabilities:				
Short-term borrowings	$ 445,003	$ 680,437	$ -	$ 1,125,440
Notes payable (including related party)	330,672	12,085	-	342,757
Accounts payable (including related party)	205,548	-	-	205,548
Other payables	150,633	-	-	150,633
Bonds payable (including current portion)	-	297,486	104,040	401,526
Lease liability	3,717	10,983	30,810	45,510
Long-term borrowings (including current portion)	35,520	116,118	132,944	284,582
Derivative financial liabilities:				
Current financial liabilities at fair value through profit or loss Put options of bonds payable	-	1,604	1,640	3,244

December 31, 2021	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
Non-derivative financial liabilities:				
Short-term borrowings	$ 392,633	$ 542,448	$ -	$ 935,081
Notes payable (including related party)	214,136	-	-	214,136
Accounts payable (including related party)	367,217	240	13,790	381,247
Other payables	177,013	-	-	177,013
Bonds payable	-	-	293,600	293,600
Lease liability	2,667	7,361	23,323	33,351
Long-term borrowings (including current portion)	12,237	75,657	106,446	194,340
Derivative financial liabilities:				
Current financial liabilities at fair value through profit or loss Put options of bonds payable	-	-	1,780	1,780

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s put options embedded in convertible bonds issued by the Group are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid short-term borrowings, notes payable, accounts payable, other payables bonds payable (including current portion), lease liability, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

(a) The related information of financial and non-financial instruments measured at fair value are as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 4,780	$ 4,780
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 3,244	$ -	$ 3,244

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ 4,780	$ 4,780
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 1,780	$ -	$ 1,780

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. When assessing non-standard and low-complexity financial instruments, for example, equity instruments without active market and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

ii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as option pricing models.

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
At January 1	$ 4,780	$ 4,690
Acquired from business combinations	-	90
At December 31	$ 4,780	$ 4,780

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 4,780	Market - comparable companies	Price to earnings ratio multiple	0.84～1.54	The higher the net assets, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	20%	

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 4,780	Market - comparable companies	Price to earnings ratio multiple	0.84～1.54	The higher the net assets, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	20%	

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio multiple	±5%	$ 241	($ 241)	$ -	$ -

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio multiple	±5%	$ 241	($ 241)	$ -	$ -

(4) Due to the spread of Covid-19, the Shanghai subsidiary of the Group halted work from April 6, 2022, until May 6, 2022 when the local government agreed to resume work in order to cooperate with the local government's prevention work against the Covid-19 epidemic. After gradually resuming production, the Group has been operating normally, and the restrictions of the lockdown policy have no significant impact on the Group's financial business.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(12) on the financial statements for details.

J. Significant inter-company transactions during the reporting periods: Please refer to tables 7 and 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

(4) Major shareholders information

Names, number of shares held by and ownership of shareholders whose ownership over 5%: Please refer to table 10.

14. SEGMENT INFORMATION

(1)General information

The chief operating decision-maker considers the business from a geographic and product type perspective; In terms of products, the Group focuses on the manufacturing, R&D and sales of new building materials, batteries and electrical appliances, as well as engineering construction; in terms of regions, the Group currently focuses on construction, production and sales in Taiwan, Mainland China and Cambodia.

(2)Measurement of segment information

The Group’s segment profit (loss) is measured with the operating profit (loss) after tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3)Information about segment profit or loss, assets and liabilities

Year ended December 31, 2022

	Taiwan	Mainland China	Other	Reconciliation and elimination	Total
Revenue from external customers	$ 2,697,773	$ 849,661	$ 9,211	$ -	$ 3,556,645
Inter-segment revenue	-	1,641	-	(1,641)	-
Total segment revenue	$ 2,697,773	$ 851,302	$ 9,211	($ 1,641)	$ 3,556,645
Segment income (loss)	$ 153,908	($ 115,995)	($ 1,041)	($ 15,448)	$ 21,424
Interest income	$ 1,146	$ 732	$ 30	$ -	$ 1,908
Depreciation and amortisation	$ 53,412	$ 32,592	$ 417	$ -	$ 86,421
Profit or loss of investments accounted for using equity method	$ -	$ 3,668	$ -	($ 3,668)	$ -
Income tax expense	$ 44,825	($ 5,680)	$ -	$ -	$ 39,145
Segment assets	$ 2,507,587	$3,267,921	$ 21,722	($ 1,693,912)	$ 4,103,318
Long-term equity investment accounted for using equity method	$ -	$1,480,504	$ -	($ 1,480,504)	$ -
Capital expenditure for other non-current assets	$ 62,529	$ 144,379	$ -	$ -	$ 206,908
Segment liabilities	$ 1,313,457	$1,554,591	$ -	($ 107,793)	$ 2,760,255

Year ended December 31, 2021

	Taiwan	Mainland China	Other	Reconciliation and elimination	Total
Revenue from external customers	$ 1,771,976	$ 907,385	$ 39,426	$ -	$ 2,718,787
Inter-segment revenue	-	34,262	-	(34,262)	-
Total segment revenue	$ 1,771,976	$ 941,647	$ 39,426	($ 34,262)	$ 2,718,787
Segment income (loss)	$ 190,571	$ 139,561	($ 336)	($ 180,633)	$ 149,163
Interest income	$ 305	$ 526	$ 58	$ -	$ 889
Depreciation and amortisation	$ 12,555	$ 44,839	$ 585	$ -	$ 57,979
Profit or loss of investments accounted for using equity method	$ -	$ 169,640	$ -	($ 169,640)	$ -
Income tax expense	$ 43,766	$ 35,949	$ -	$ -	$ 79,715
Segment assets	$ 2,121,094	$3,158,511	$ 21,280	($ 1,578,932)	$ 3,721,953
Long-term equity investment accounted for using equity method	$ -	$1,391,305	$ -	($ 1,391,305)	$ -
Capital expenditure for other non-current assets	$ 16,398	$ 62,744	$ -	$ -	$ 79,142
Segment liabilities	$ 1,259,659	$1,432,978	$ 735	($ 321,686)	$ 2,371,686

(4) Information on products and services

Please refer to Note 6 (23) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	$ 2,707,639	$ 243,906	$ 1,826,682	$ 230,946
Taiwan	839,795	676,529	852,679	535,915
Cambodia	9,211	861	39,426	-
	$ 3,556,645	$ 921,296	$ 2,718,787	$ 766,861

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Percentage of total revenue (%)	Revenue	Percentage of total revenue (%)
A	$ 202,931	6%	$ 293,432	11%
B	313,447	9%	290,905	11%
	$ 516,378		$ 584,337	

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Notes 1 and 2)	Footnote
													Item	Value			
1	Buima (China) New Materials Ltd.	The Company	Other receivables	Yes	$ 158,157	$ 141,266	$ 141,266	-	Short-term financing	$ -	Working capital	$ -	-	$ -	$ 266,901	$ 266,901	
2	Syntech New Building Materials (Shanghai) Ltd.	The Company	Other receivables	Yes	41,933	-	-	-	Short-term financing	-	Working capital	-	-	-	49,409	49,409	
2	Unitory Construction Co., Ltd.	The Company	Other receivables	Yes	30,000	30,000	30,000	-	Short-term financing	-	Working capital	-	-	-	148,449	148,449	

Note 1: Ceiling on total loans granted by the Company is 40% of the Company's net assets.

Note 2: Limit on loans granted by the Company and subsidiaries to a single party is 10% of the Company's net assets. However, loans to or between the entities whose 100% voting shares are directly and indirectly held by the Company are not limited. Limit on loans granted to a single party and ceiling on total loans granted are 50% of the borrower's net assets.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Provision of endorsements and guarantees to others

Year ended December 31, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 4)	Actual amount drawn down (Note 5)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 6)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 6)	Provision of endorsements/ guarantees to the party in Mainland China (Note 6)	Footnote
0	The Company	Unitory Construction Co., Ltd.	2	$ 1,392,442	$ 497,300	$ 497,300	$ 371,269	$ -	53%	$ 1,392,442	Y	N	N	
1	Buima New Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	4	94,144	44,080	44,080	44,080	-	94%	94,144	N	N	Y	
2	Syntech New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	4	395,272	264,480	264,480	110,200	-	56%	395,272	N	N	Y	
3	Buima Holding Hong Kong Limited	Buima (China) New Materials Ltd.	4	1,220,424	22,040	22,040	22,040	-	4%	1,220,424	N	N	Y	
4	Buima (China) New Materials Ltd.	Syntech New Building Materials	4	1,067,606	44,080	44,080	44,080	-	8%	1,067,606	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries is 50% of the net assets of the endorser/guarantor based on the latest financial statements.
Limit on endorsements/guarantees provided by the Company and subsidiaries for a single party is 20% of the net assets of the endorser/guarantor based on the latest financial statements.
However, endorsements/guarantees for or between the entities whose 100% voting shares are directly and indirectly held by the Company shall not exceed (1) 200% of the net assets of the Company, Buima Holding Hong Kong Limited and Buima (China) New Materials Ltd. and (2) 400% of the net assets of Buima New Materials (Shanghai) Ltd. and Syntech New Building Materials (Shanghai) Ltd.

Note 4: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.
And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 5: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 6: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2022				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Footnote
The Company	UNITED MOTORS GROUP LTD.	None	Non-current financial assets at fair value through profit or loss	469	$ 4,690	19%	$ 4,690	
JOULES MILES CO., LTD.	INTEGRATED CIRCUIT COLUTION INC.	None	Non-current financial assets at fair value through profit or loss	1	90	-	90	

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:							
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments	Footnote
Buima (China) New Materials Ltd.	Buildings and structures	September 22, 2022	$ 150,263	Paid according to the contract terms	NANTONG SUZHONG CONSTRUCTION CO., LTD. JURONG RONGRUN BUILDING MATERIALS CO., LTD. SHANGHAI YAOSHUN ARCHITECTURAL CO., LTD.	Non-related parties	-	-	-	$ -	Price comparison and negotiation	Production activities	None	

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price'column if the real estate acquired should be appraised pursuant to the regulations.
Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.
Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
OWA New Building Materials (Shanghai) Ltd.	Odenwald	Other related party	Sales	($ 200,123)	64%	Note 1	Note 1	Note 1	$ 21,915	28%	
Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	Subsidiary	Sales	(122,099)	22%	Note 2	Note 2	Note 2	-	0%	
JOULES MILES CO., LTD.	POWERSKY TECHNOLOGY CORPORATION	Other related party	Purchases	296,046	18%	Note 3	Note 3	Note 3	(114,632)	49%	

Note 1: The price above based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 30~120 days after the date of sales.
Note 2: The price above based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is advance sales receipts and 30 days after the date of sales.
Note 1: The price above based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 90~150 days after the date of purchases.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for Creditor Counterparty doubtful accounts
Buima (China) New Materials Ltd.	The Company	Parent company	$ 141,266	Note 1	$ -	-	$ 18,426	$ -
Syntech Holding Co., Ltd	Buima (China) New Materials Ltd.	Fellow subsidiary	151,794	Note 1	-	-	-	-

Note 1: There was no turnover rate as the account was other receivables from equity transactions and loans to others and there was no actual sales transaction.

Note 2: The abovementioned transactions had been written-off during the preparation of the consolidated financial statements.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Significant inter-company transactions during the reporting periods

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Inter-company transactions reaching NT$10 million is provided below:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Buima (China) New Materials Ltd.	Syntech New Building Materials (Shanghai) Ltd.	3	Sales revenue	$ 122,099	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	3%
1	Buima (China) New Materials Ltd.	OWA New Building Materials (Shanghai) Ltd.	3	Sales revenue	25,017	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%
1	Buima (China) New Materials Ltd.	Chongyou (Shenzhen) New Material Co., Ltd.	3	Sales revenue	17,682	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	0%
1	Buima (China) New Materials Ltd.	The Company	2	Other receivables	141,266	Financing	3%
1	Buima (China) New Materials Ltd.	Buima New Materials (Shanghai) Ltd.	3	Prepayments to suppliers	15,502	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	0%
1	Buima (China) New Materials Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	3	Advance sales receipts	44,140	Selling price was determined according to the mutual agreements	1%
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Sales revenue	77,376	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Accounts receivable	42,598	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	1%

Inter-company transactions reaching NT$10 million is provided below:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
2	OWA New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Prepayments to suppliers	62,107	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	2%
3	Syntech New Building Materials (Shanghai) Ltd.	Buima (China) New Materials Ltd.	3	Prepayments to suppliers	119,527	Selling price was determined based on the product categories, market price competition and other transaction terms and according to the mutual agreements	3%
3	Syntech New Building Materials (Shanghai) Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	3	Prepayments to suppliers	44,140	Selling price was determined according to the mutual agreements	1%
4	Syntech Holding Co., Ltd	Buima (China) New Materials Ltd.	3	Other receivables	151,794	In accordance with the mutual agreements	4%
5	Unitory Construction Co., Ltd.	The Company	2	Other receivables	30,000	Financing	1%
5	Unitory Construction Co., Ltd.	The Company	2	Other receivables	25,200	In accordance with the mutual agreements	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiari to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between tv subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Information on investees

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares (in thousands)	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
The Company	Buima Holding Ltd.	Hong Kong	Investment and holding	$ 438,616	$ 395,340	111,085	100%	$ 617,181	($ 54,061)	($ 54,061)	Notes 1, 2 and 3
The Company	Syntech Holding CO,Ltd.	British Virgin IS.	Investment and holding	98,045	88,372	3,223	100%	151,845	(50)	(50)	Notes 1, 2 and 3
The Company	Unitory International CO., Ltd.	Cambodia	Building materials industry	18,426	16,608	6,000	60%	13,033	(1,041)	(624)	Notes 1, 2 and 3
The Company	Unitory Construction Co., Ltd.	Taiwan	Construction industry	300,000	300,000	16,500	100%	296,897	40,075	40,075	Notes 1, 2 and 3
The Company	SHIN JIN COMPANY LIMITED	Taiwan	Building materials industry	44,000	-	2,750	45.83%	43,592	(4,350)	(408)	Notes 1, 2 and 3
The Company	JOULES MILES CO., LTD.	Taiwan	Electronics industry	131,000	131,000	9,324	25.18%	155,480	114,856	28,887	Notes 1, 2 and 3
The Company	BUIMA ENERGY INC.	Taiwan	Investment and holding	10,000	-	1,000	100%	10,002	2	2	Notes 1, 2 and 3
JOULES MILES CO., LTD.	PowerGain Technology Corporation Limited	Taiwan	Electronics industry	20,000	16,000	2,000	100%	19,060	(842)	(807)	Notes 1, 2 and 3
Buima Holding Ltd.	Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Hong Kong	Investment and holding	462,186	416,584	15,050	100%	610,212	(51,804)	(51,804)	Notes 1, 2 and 3
Buima (China) New Materials Ltd.	OWA Metallic Pte. Ltd.	Singapore	Investment and holding	256,043	-	1,224	51%	124,343	9,329	4,758	Notes 1, 2 and 3

Note 1: The abovementioned information related to the investees is valued and disclosed based on the audited financial statements of each investee for the corresponding period.

Note 2: The relevant figures in this table are listed in New Taiwan Dollar. Foreign currency involved is converted to NTD at the exchange rate on the balance sheet date (at the end of December 31, 2022: USD: 30.71; RMB: 4.408; average exchange rate for the year ended December 31, 2022: USD: 29.8044; RMB: 4.4219).

Note 3: It was written-off during the preparation of the consolidated financial statements.

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Information on investments in Mainland China

Year ended December 31, 2022

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

					Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022								
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Syntech New Building Materials (Shanghai) Ltd.	Sales of steel wall partition building materials and fire insulation partitions	$ 133,121	Note 1	$ -	$ -	$ -	$ -	($ 13,999)	100%	($ 13,999)	$ 98,818	$ -	
Hong-Ji International Trading (Shanghai) Ltd.	International trade, export trade, trade between entities in the bonded area and trade agency in the area	7,070	Note 1	-	-	-	-	(3,662)	100%	(3,662)	5,416	-	
Buima (China) New Materials Ltd.	Manufactures of steel wall partition building materials, fire insulation partitions and grids	523,868	Note 1	-	-	-	-	(51,802)	100%	(51,802)	533,803	-	
OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	115,106	Note 1	-	-	-	-	5,804	51%	2,960	122,549	-	
Buima New Materials (Shanghai) Ltd.	Sales of steel wall partition building materials, fire insulation partitions and grids	37,519	Note 1	-	-	-	-	202	100%	202	23,536	-	
Shanghai Gotao Construction Engineering Co., Ltd.	Various engineering construction activities, construction labor subcontracting and construction engineering design	4,855	Note 1	-	-	-	-	(2,224)	100%	(2,224)	(1,875)	-	
Chongyou (Shenzhen) New Material Co., Ltd.	Manufactures and sales of architectural and decoration materials, plumbing parts and other metal products for construction	2,207	Note 1	-	-	-	-	(7,867)	60%	(4,720)	(3,646)	-	

Note 1: Through investing in Buima Holding Ltd. in the third area, which then invested in the investee in Mainland China.

Note 2: The basis for investment income (loss) recognition is the audited financial statements of the investees in Mainland China for the corresponding period.

Note 3: The figures in this table are presented in New Taiwan Dollars. Foreign currency involved is converted to NTD at the exchange rate on the balance sheet date (at the end of December 31, 2022: USD: 30.71; RMB: 4.408; average exchange rate for the year ended December 31, 2022: USD:29.8044; RMB:4.4219).

Buima Group Inc. (formerly: Buima Group Inc. (Cayman))

Major shareholders information

December 31, 2022

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
CHEE SHING INVESTMENT LIMITED.	2,967,240	7.95%
TUOHAN CAPITAL CO., LTD.	2,781,424	7.45%
CHEN HSIU CHUAN	2,568,466	6.88%
CHEN HSIU HSIU	2,064,044	5.53%