Allied Supreme Corp. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2023 and 2022 and Independent Auditors’ Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Allied Supreme Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Allied Supreme Corp. and its subsidiaries (collectively, the "Group") as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Hsiang Chen and Shu-Lin Liu.

Wen-Hsiang Chen   Shu-Lin Liu

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2023

<u>*Notice to Readers*</u>

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

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 28)	$ 3,587,418	35	$ 3,365,150	35	$ 3,818,536	44
Financial assets at amortized cost - current (Notes 8 and 28)	127,975	1	-	-	57,250	1
Notes receivable (Notes 9, 22 and 28)	258,651	3	268,399	3	294,050	3
Trade receivables (Notes 9, 22 and 28)	1,886,718	18	1,465,443	15	894,446	10
Other receivables (Notes 9 and 28)	8,017	-	3,053	-	1,869	-
Current tax assets (Note 4)	3,803	-	74	-	69	-
Inventories (Note 10)	2,082,775	20	2,037,463	22	1,503,955	17
Other current financial assets (Notes 15, 28 and 30)	345,772	3	403,237	4	300,775	4
Other current assets (Note 15)	144,525	2	124,155	1	127,257	2
Total current assets	8,445,654	82	7,666,974	80	6,998,207	81
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 28)	4,735	-	4,715	-	4,260	-
Property, plant and equipment (Notes 12 and 30)	1,726,511	17	1,705,680	18	1,495,545	18
Right-of-use assets (Note 13)	71,560	1	74,567	1	63,784	1
Other intangible assets (Note 14)	6,547	-	7,101	-	5,981	-
Deferred tax assets (Note 4)	42,032	-	42,210	1	29,207	-
Other non-current assets (Notes 9 and 15)	32,781	-	27,609	-	23,139	-
Total non-current assets	1,884,166	18	1,861,882	20	1,621,916	19
TOTAL	$ 10,329,820	100	$ 9,528,856	100	$ 8,620,123	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables (Notes 17 and 28)	$ 598,011	6	$ 552,050	6	$ 557,533	6
Other payables (Notes 18 and 28)	1,516,634	15	542,792	6	1,009,237	12
Current tax liabilities (Note 4)	377,563	4	289,301	3	246,670	3
Provisions - current (Note 19)	34,660	-	36,497	-	7,800	-
Lease liabilities - current (Note 13)	9,016	-	9,912	-	5,545	-
Contract liabilities (Note 22)	823,654	8	849,341	9	823,114	10
Current portion of long-term borrowings (Notes 16, 28 and 30)	41,667	-	41,667	-	10,417	-
Other current liabilities (Note 18)	5,459	-	3,836	-	2,097	-
Total current liabilities	3,406,664	33	2,325,396	24	2,662,413	31
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16, 28 and 30)	489,826	5	371,038	4	530,288	6
Non-current tax liabilities (Note 4)	89,535	1	87,707	1	89,221	1
Lease liabilities - non-current (Note 13)	9,730	-	11,727	-	2,965	-
Net defined benefit liabilities - non-current (Notes 4 and 19)	2,461	-	2,702	-	2,564	-
Other non-current liabilities (Notes 18 and 28)	69	-	69	-	18	-
Total non-current liabilities	591,621	6	473,243	5	625,056	7
Total liabilities	3,998,285	39	2,798,639	29	3,287,469	38
EQUITY (Note 21)						
Share capital						
Ordinary shares	790,370	8	790,280	8	785,450	9
Capital surplus						
Share premium	2,021,861	19	2,021,516	21	2,001,648	23
Employee share options	722	-	534	-	3,255	-
Retained earnings						
Legal reserve	571,635	6	571,635	6	475,621	6
Special reserve	45,229	-	45,229	1	35,622	1
Unappropriated earnings	2,911,930	28	3,322,157	35	2,011,908	23
Other equity						
Exchange differences on translating foreign operations	(10,212)	-	(21,134)	-	19,150	-
Total equity	6,331,535	61	6,730,217	71	5,332,654	62
TOTAL	$ 10,329,820	100	$ 9,528,856	100	$ 8,620,123	100

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 22)	$ 1,704,042	100	$ 1,384,272	100
OPERATING COSTS (Notes 10 and 23)	914,768	54	806,866	58
GROSS PROFIT	789,274	46	577,406	42
OPERATING EXPENSES (Notes 23, 26 and 29)				
Selling and marketing expenses	60,638	3	60,502	4
General and administrative expenses	51,839	3	49,459	4
Research and development expenses	45,457	3	28,092	2
Expected credit (reversal) loss	(3,520)	-	14,957	1
Total operating expenses	154,414	9	153,010	11
PROFIT FROM OPERATIONS	634,860	37	424,396	31
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	16,374	1	4,967	-
Other income	1,576	-	1,324	-
Other gains and losses	638	-	15,531	1
Finance costs	(1,183)	-	(868)	-
Total non-operating income and expenses	17,405	1	20,954	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	652,265	38	445,350	32
INCOME TAX EXPENSE (Notes 4 and 24)	(114,048)	(7)	(85,893)	(6)
NET PROFIT FOR THE PERIOD	538,217	31	359,457	26
OTHER COMPREHENSIVE INCOME (Note 21)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	10,922	1	64,379	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 549,139	32	$ 423,836	31

(Continued)

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	$ 6.81		$ 4.58	
Diluted	$ 6.70		$ 4.48	

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

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

	Share Capital		Capital Surplus		Retained Earnings			Other Equity	
	Ordinary Shares (In Thousands of Shares)	Amount	Share Premium	Employee Share Options	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2022	78,545	$ 785,450	$ 2,001,648	$ 2,817	$ 475,621	$ 35,622	$ 2,280,811	$ (45,229)	$ 5,536,740
Appropriation of 2021 earnings									
Cash dividends distributed by the Company	-	-	-	-	-	-	(628,360)	-	(628,360)
Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	359,457	-	359,457
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	64,379	64,379
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	359,457	64,379	423,836
Share-based payment transactions (Note 26)	-	-	-	438	-	-	-	-	438
BALANCE AT MARCH 31, 2022	78,545	$ 785,450	$ 2,001,648	$ 3,255	$ 475,621	$ 35,622	$ 2,011,908	$ 19,150	$ 5,332,654
BALANCE AT JANUARY 1, 2023	79,028	$ 790,280	$ 2,021,516	$ 534	$ 571,635	$ 45,229	$ 3,322,157	$ (21,134)	$ 6,730,217
Appropriation of 2022 earnings									
Cash dividends distributed by the Company	-	-	-	-	-	-	(948,444)	-	(948,444)
Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	538,217	-	538,217
Other comprehensive income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	-	10,922	10,922
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	-	538,217	10,922	549,139
Share-based payment transactions (Note 26)	-	-	-	229	-	-	-	-	229
Issuance of ordinary shares under employee share options	9	90	345	(41)	-	-	-	-	394
BALANCE AT MARCH 31, 2023	79,037	$ 790,370	$ 2,021,861	$ 722	$ 571,635	$ 45,229	$ 2,911,930	$ (10,212)	$ 6,331,535

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 652,265	$ 445,350
Adjustments for:		
Depreciation expenses	36,970	26,048
Amortization expenses	1,052	1,356
Expected credit loss (reversed) on trade receivables	(3,520)	14,957
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(20)	6
Finance costs	1,183	868
Interest income	(16,374)	(4,967)
Compensation costs of employees share-based payments	229	438
Loss on disposal of property, plant and equipment	28	795
Property, plant and equipment transferred to expense	3,436	-
Gain on lease termination	(1)	-
Write-down (reversal of) of inventories	2,143	(2,094)
Net loss on foreign currency exchange	16,764	13,983
Reversal of provisions	(1,853)	-
Changes in operating assets and liabilities		
Notes receivable	9,748	(86,870)
Trade receivables	(446,206)	(53,613)
Other receivables	(4,615)	(50)
Inventories	(48,003)	(125,157)
Other current assets	(20,370)	9,018
Other non-current assets	13,451	(23,648)
Notes payable	-	(6,615)
Trade payables	49,066	88,926
Other payables	25,492	(6,613)
Contract liabilities	(25,687)	(36,386)
Other current liabilities	1,623	377
Net defined benefit liabilities	(241)	(234)
Cash generated from operations	246,560	255,875
Interest received	16,025	4,811
Interest paid	(1,277)	(970)
Income tax paid	(27,509)	(36,529)
Net cash generated from operating activities	233,799	223,187
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(127,975)	(1,890)
Payments for property, plant and equipment	(55,735)	(82,441)
Proceeds from disposal of property, plant and equipment	-	200
Increase in refundable deposits	(3,362)	(3,088)

(Continued)

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	**2022**
Payments for intangible assets	$ (473)	$ (734)
Decrease (increase) in other financial assets	57,465	(10,180)
Increase in prepayments for equipment	(1,810)	(5,626)
Net cash used in investing activities	(131,890)	(103,759)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(50,000)
Proceeds from long-term borrowings	129,204	-
Repayment of long-term borrowings	(10,416)	-
Repayment for principal portion of lease liabilities	(2,812)	(906)
Employee share options exercised	394	-
Net cash generated from (used in) financing activities	116,370	(50,906)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	3,989	29,611
NET INCREASE IN CASH AND CASH EQUIVALENTS	222,268	98,133
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,365,150	3,720,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,587,418	$ 3,818,536

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

1. GENERAL INFORMATION

Allied Supreme Corp. (the "Company") was established in the Republic of China (ROC) in 1981. The Company mainly manufactures and sells surface coating treatment of various metals and non-metals, special surface treatment of various machinery and parts, finished and semi-finished products such as fluorinated resin raw material round bars and flat plates.

In September 2020, the Company's shares were listed on the Emerging Stock Board of the Taipei Exchange. In September 2021, the Company's application for listing on the Taiwan Stock Exchange was approved by the Taiwan Stock Exchange Review Committee and submitted to the Financial Supervisory Commission for approval. In December 2021, the Company's shares have been listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar. The Company and its subsidiaries are collectively referred to as the "Group".

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 8, 2023.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

<u>Principles for preparing the consolidated financial statements</u>

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

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

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11 and Table 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 pandemic and its economic environment implications, the economic environment implications of the military conflict between Russia and Ukraine, related international sanctions and inflation and interest rate fluctuations when making its critical accounting estimates on cash flow projections, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	$ 962	$ 962	$ 946
Checking accounts and demand deposits	1,320,574	1,258,090	1,331,095
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	2,265,882	2,037,805	2,486,495
Deposit in transit	-	68,293	-
	$ 3,587,418	$ 3,365,150	$ 3,818,536

As of March 31, 2023, December 31, 2022 and March 31, 2022, the market rate intervals of time deposits with original maturities of 3 months or less were 1.19%-5.00%, 1.10%-4.89% and 0.33%-2.95%, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	$ 4,735	$ 4,715	$ 4,260

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Domestic investments			
Time deposits with original maturities of more than 3 months	$ 127,975	$ -	$ 57,250

As of March 31, 2023 and 2022, the interest rate of time deposits with original maturities of more than 3 months was 2.12%-2.55% and 0.35%, respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable			
At amortized cost			
Gross carrying amount	$ 258,651	$ 268,399	$ 294,060
Less: Allowance for impairment loss	-	-	(10)
	$ 258,651	$ 268,399	$ 294,050
Trade receivables			
At amortized cost			
Gross carrying amount	$ 1,899,200	$ 1,467,886	$ 901,940
Less: Allowance for impairment loss	(12,482)	(2,443)	(7,494)
	$ 1,886,718	$ 1,465,443	$ 894,446
Overdue receivables			
Gross carrying amount	$ 4,020	$ 17,471	$ 33,461
Less: Allowance for impairment loss	(4,020)	(17,471)	(33,461)
	$ -	$ -	$ -
Other receivables			
Income tax refund receivable	$ 4,808	$ -	$ 494
Interest receivable	2,510	2,161	912
Others	699	892	463
	$ 8,017	$ 3,053	$ 1,869

Credit periods are typically provided in the Group's sales agreements. Before accepting any new customer, the Company assesses the potential customer's credit quality and defines its credit limits. Credit limits and scores attributed to customers are reviewed regularly.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

March 31, 2023

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%	1%	3%	50%	100%	
Gross carrying amount	$ 1,690,837	$ 139,839	$ 49,316	$ 19,208	$ 4,020	$ 1,903,220
Loss allowance (Lifetime ECLs)	-	(1,398)	(1,480)	(9,604)	(4,020)	(16,502)
Amortized cost	$ 1,690,837	$ 138,441	$ 47,836	$ 9,604	$ -	$ 1,886,718

December 31, 2022

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%	1%	3%	50%	100%	
Gross carrying amount	$ 1,371,634	$ 80,924	$ 12,830	$ 2,498	$ 17,471	$ 1,485,357
Loss allowance (Lifetime ECLs)	-	(809)	(385)	(1,249)	(17,471)	(19,914)
Amortized cost	$ 1,371,634	$ 80,115	$ 12,445	$ 1,249	$ -	$ 1,465,443

March 31, 2022

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Days or More	Total
Expected credit loss rate	0%	1%	3%	50%	100%	
Gross carrying amount	$ 851,846	$ 33,028	$ 2,911	$ 14,155	$ 33,461	$ 935,401
Loss allowance (Lifetime ECLs)	-	(330)	(87)	(7,077)	(33,461)	(40,955)
Amortized cost	$ 851,846	$ 32,698	$ 2,824	$ 7,078	$ -	$ 894,446

The movements of the loss allowance were as follows:

	For the Three Months Ended March 31, 2023			
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance at January 1	$ -	$ 2,443	$ 17,471	$ 19,914
Expected credit loss recognized (reversed)	-	10,038	(13,558)	(3,520)
Foreign exchange translation gains and losses	-	1	107	108
Balance at March 31	$ -	$ 12,482	$ 4,020	$ 16,502

	For the Three Months Ended March 31, 2022			
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance at January 1	$ -	$ 15,696	$ 9,781	$ 25,477
Expected credit loss recognized (reversed)	10	(8,437)	23,384	14,957
Foreign exchange translation gains and losses	-	235	296	531
Balance at March 31	$ 10	$ 7,494	$ 33,461	$ 40,965

Overdue receivables were classified under other assets and provided with allowance for expected credit loss.

10. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	$ 662,585	$ 691,741	$ 485,884
Semi-finished goods	92,859	85,376	79,016
Work in process	458,123	496,100	429,779
Finished goods	869,208	764,246	509,276
	$ 2,082,775	$ 2,037,463	$ 1,503,955

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2023 and 2022 are as follows:

	For the Three Months Ended March 31	
	2023	2022
Cost of inventories sold	$ 912,625	$ 808,960
Inventory loss (reversal) of write-downs	2,143	(2,094)
	$ 914,768	$ 806,866

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Percentage of Ownership March 31, 2023	Percentage of Ownership December 31, 2022	Percentage of Ownership March 31, 2022
Allied Supreme Corp. (“ASC”)	Allied Supreme (Samoa) Corp. (“ASC (Samoa)”)	Investment	100.00	100.00	100.00
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp. (“ASC (China)”)	Investment	100.00	100.00	100.00
Allied Supreme (China) Corp.	Allied Supreme (Jia Xing) Corp. (“ASC (Jia Xing)”)	Production of special functional composite materials and products and sales of self-produced products	100.00	100.00	100.00
ASC	Aston Fluorotech Corp. (“AFTC”)	Sales of special functional composite materials and products	100.00	100.00	100.00

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction-in-progress and Equipment Ready for Inspection	Total
Cost						
Balance at January 1, 2022	$ 259,857	$ 956,979	$ 630,502	$ 54,480	$ 185,985	$ 2,087,803
Additions	-	3,287	7,082	-	72,072	82,441
Disposals	-	(2,520)	(1,975)	(366)	-	(4,861)
Reclassifications	-	1,160	16,673	2,620	(20,453)	-
Effect of exchange rate differences	-	10,925	7,844	970	1,578	21,317
Balance at March 31, 2022	$ 259,857	$ 969,831	$ 660,126	$ 57,704	$ 239,182	$ 2,186,700
Accumulated depreciation						
Balance at January 1, 2022	$ -	$ 206,823	$ 419,550	$ 33,199	$ -	$ 659,572
Depreciation expense	-	10,411	12,412	1,937	-	24,760
Disposals	-	(1,800)	(1,737)	(329)	-	(3,866)
Effect of exchange rate differences	-	4,402	5,715	572	-	10,689
Balance at March 31, 2022	$ -	$ 219,836	$ 435,940	$ 35,379	$ -	$ 691,155
Carrying amount at March 31, 2022	$ 259,857	$ 749,995	$ 224,186	$ 22,325	$ 239,182	$ 1,495,545
Cost						
Balance at January 1, 2023	$ 259,857	$ 975,951	$ 711,436	$ 96,085	$ 401,853	$ 2,445,182
Additions	-	674	6,870	599	47,592	55,735
Disposals	-	(933)	(6,060)	(343)	-	(7,336)
Reclassifications	-	60,013	99,403	7,347	(170,199)	(3,436)
Effect of exchange rate differences	-	1,551	1,054	123	1,198	3,926
Balance at March 31, 2023	$ 259,857	$ 1,037,256	$ 812,703	$ 103,811	$ 280,444	$ 2,494,071
Accumulated depreciation						
Balance at January 1, 2023	$ -	$ 248,930	$ 448,409	$ 42,163	$ -	$ 739,502
Depreciation expense	-	11,234	18,835	3,697	-	33,766
Disposals	-	(933)	(6,035)	(340)	-	(7,308)
Effect of exchange rate differences	-	678	847	75	-	1,600
Balance at March 31, 2023	$ -	$ 259,909	$ 462,056	$ 45,595	$ -	$ 767,560
Carrying amount at January 1, 2023	$ 259,857	$ 727,021	$ 263,027	$ 53,922	$ 401,853	$ 1,705,680
Carrying amount at March 31, 2023	$ 259,857	$ 777,347	$ 350,647	$ 58,216	$ 280,444	$ 1,726,511

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

Buildings	30-56 years
Building accessory equipment	3-11 years
Machinery equipment	3-11 years
Other equipment	3-11 years

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Land	$ 70,644	$ 73,374	$ 62,388
Buildings	-	88	354
Transportation equipment	916	1,105	1,042
	$ 71,560	$ 74,567	$ 63,784

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	$ -	$ 5,668
Depreciation charge for right-of-use assets		
Land	$ 2,925	$ 1,054
Buildings	88	89
Transportation equipment	191	145
	$ 3,204	$ 1,288

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Current	$ 9,016	$ 9,912	$ 5,545
Non-current	$ 9,730	$ 11,727	$ 2,965

Range of discount rate for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	1.00%-1.08%	0.85%-1.08%	0.85%-1.08%
Buildings	1.15%	1.15%	1.15%
Transportation equipment	1.00%-4.23%	1.00%-4.23%	4.23%

c. Material leasing activities and terms

The Group leases land, buildings, dormitories and office car with lease terms of 2 to 4 years. Prepayments for land use rights in China are recognized as right-of-use assets - land. The Group does not have bargain purchase options to acquire the leasehold land, buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	$ 1,403	$ 712
Total cash outflow for leases	$ (4,268)	$ (1,637)

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

14. INTANGIBLE ASSETS

	Computer Software	Patent	Total
Cost			
Balance at January 1, 2022	$ 31,560	$ 2,000	$ 33,560
Additions	734	-	734
Effect of foreign currency exchange differences	798	-	798
Balance at March 31, 2022	$ 33,092	$ 2,000	$ 35,092
Accumulated amortization and impairment			
Balance at January 1, 2022	$ 25,759	$ 1,321	$ 27,080
Amortization expense	1,247	109	1,356
Effect of foreign currency exchange differences	675	-	675
Balance at March 31, 2022	$ 27,681	$ 1,430	$ 29,111
Carrying amount at March 31, 2022	$ 5,411	$ 570	$ 5,981

(Continued)

	Computer Software	Patent	Total
Cost			
Balance at January 1, 2023	$ 38,216	$ 2,000	$ 40,216
Additions	473	-	473
Effect of foreign currency exchange differences	133	-	133
Balance at March 31, 2023	$ 38,822	$ 2,000	$ 40,822
Accumulated amortization and impairment			
Balance at January 1, 2023	$ 31,360	$ 1,755	$ 33,115
Amortization expense	991	61	1,052
Effect of foreign currency exchange differences	108	-	108
Balance at March 31, 2023	$ 32,459	$ 1,816	$ 34,275
Carrying amount at January 1, 2023	$ 6,856	$ 245	$ 7,101
Carrying amount at March 31, 2023	$ 6,363	$ 184	$ 6,547

(Concluded)

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

Software	1-3 years
Patent	3-5 years

15. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Other financial assets (Note 30)			
Guarantee deposits (Note)	$ 345,772	$ 403,237	$ 300,775
Other current assets			
Prepayments	$ 141,242	$ 109,193	$ 118,831
Tax credit	-	12,405	5,762
Others	3,283	2,557	2,664
	$ 144,525	$ 124,155	$ 127,257
Non-current			
Other non-current assets			
Refundable deposits	$ 23,663	$ 20,301	$ 11,805
Prepayments for equipment	9,118	7,308	11,281
Overdue receivables	4,020	17,471	33,461
Allowance for impairment loss - overdue receivables	(4,020)	(17,471)	(33,461)
Others	-	-	53
	$ 32,781	$ 27,609	$ 23,139

Note: Guarantee deposits are for financing loans. The ranges of weighted average effective interest rates on guarantee deposits were 0.55%-4.70%, 0.3%-4.15% and 0.12%-2.67% at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

16. BORROWINGS

Long-term Borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Secured borrowings (Note 30)			
Hua Nan Commercial Bank (a)	$ -	$ -	$ 128,000
Mega Bank (b)	287,705	287,705	287,705
Fubon Bank (c)	129,204	-	-
	416,909	287,705	415,705
Unsecured borrowings			
Fubon Bank (d)	114,584	125,000	125,000
Less: Current portion of long-term borrowings	(41,667)	(41,667)	(10,417)
	$ 489,826	$ 371,038	$ 530,288

a. As of March 31, 2022, the weighted average effective interest rate of the bank borrowings secured by the Group’s freehold land and buildings (see Note 30) was 1.08% per annum.

b. As of March 31, 2023, December 31, 2022 and March 31, 2022, the weighted average effective interest rate of the bank borrowings secured by the Group’s freehold land and buildings (see Note 30) were 1.25%, 1.125% and 0.5% per annum, respectively.

c. As of March 31, 2023, the weighted average effective interest rate of the bank borrowings secured by the Group’s freehold plant and equipments (see Note 30) was 1.131% per annum.

d. As of March 31, 2023, December 31, 2022 and March 31, 2022, the weighted average effective interest rate of the bank borrowings secured were 1.131%, 0.999% and 0.338% per annum, respectively.

Repayment and interest payment methods:

Name	Period	Repayment and Interest Payment Methods
Hua Nan Commercial Bank (1)	2020.06-2035.06	Interest is paid monthly. Principal is payable in equal monthly amounts from the 37th month from the date of the loan. The loan was settled in advance in 2022.
Mega Bank (2)	2021.05-2031.05	Interest is paid monthly. Principal is payable in equal monthly amounts from the 37th month from the date of the loan.
Fubon Bank (3)	2023.03-2028.03	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.
Fubon Bank (4)	2020.12-2025.12	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.

17. TRADE PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Trade payables			
Operating	$ 598,011	$ 552,050	$ 557,533

18. OTHER LIABILITIES

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Other payables			
Payables for salaries	$ 322,233	$ 290,175	$ 195,359
Business taxes payable	88,596	67,920	40,271
Payables for equipment	37,837	68,113	53,506
Dividends payable	948,444	-	628,360
Others	119,524	116,584	91,741
	$ 1,516,634	$ 542,792	$ 1,009,237
Other liabilities			
Others	$ 5,459	$ 3,836	$ 2,097
Non-current			
Guarantee deposits received	$ 69	$ 69	$ 18

19. PROVISIONS

	March 31, 2023	December 31, 2022	March 31, 2022
Current			
Warranties	$ 34,660	$ 36,497	$ 7,800
Non-current			
Employee benefits (Note 20)	$ 2,461	$ 2,702	$ 2,564

	Warranties
Balance at January 1, 2022	$ 7,663
Effect of foreign currency exchange differences	137
Balance at March 31, 2022	$ 7,800
Balance at January 1, 2023	$ 36,497
Reversal of unused balance	(1,853)
Effect of foreign currency exchange differences	16
Balance at March 31, 2023	$ 34,660

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under the legislation on the local sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

20. RETIREMENT BENEFIT PLANS

The pension expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2022 and 2021 and were recognized in the following line items in their respective periods:

	For the Three Months Ended March 31	
	2023	2022
An analysis of benefit by function		
General and administrative expenses	$ 51	$ 44

21. EQUITY

a. Share capital

Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Shares authorized (in thousands of shares)	168,000	168,000	168,000
Shares authorized, par value of $10	$ 1,680,000	$ 1,680,000	$ 1,680,000
Shares issued and fully paid (in thousands of shares)	79,037	79,028	78,545
Shares issued and fully paid	$ 790,370	$ 790,280	$ 785,450

As of December 31, 2022 and March 31, 2023, the Company's share capital increased by 483,000 shares and 9,000 shares due to the employees exercising their stock options to convert into ordinary shares.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 2,021,861	$ 2,021,516	$ 2,001,648
May not be used for any purpose			
Employee share options	722	534	3,255
	$ 2,022,583	$ 2,022,050	$ 2,004,903

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The aforementioned distribution of dividends and bonuses from the legal reserve or capital surplus shall be authorized by the board of directors in their meeting attended by at least two-thirds of all directors and resolved by more than half of the directors present and reported to the shareholders in their meeting.

The Company's dividend policy is based on the consideration of the industrial environment, investment environment, capital needs, profit situation, capital structure and future operating needs, taking into account the interests of shareholders, balancing dividends and the Company's long-term financial planning, and setting aside the distributable surplus every year. No less than 10% of dividends shall be distributed to shareholders. If the share price is less than $0.1, dividends may not be distributed; when distributed to shareholders, dividends shall be distributed in cash or shares, of which cash dividends shall not be less than 30% of the total dividends.

For the rules on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23-g.

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

The Company shall set aside from or reverse to unappropriated earnings amounts of special reserve for the net amount of other equity deductions accumulated in prior periods.

The appropriations of earnings and dividends per share for 2022 and 2021 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	2021
Provision of legal reserve	$ 177,533	$ 96,014
(Reserved of) special reserve	$ (24,095)	$ 9,607
Cash dividends	$ 948,444	$ 628,360
Dividends per share (NT$)	$ 12	$ 8

The above 2022 and 2021 appropriations for cash dividends for 2022 were resolved by the Company's board of directors on March 8, 2023 and March 14, 2022, respectively; the other proposed appropriations for 2021 were resolved by the shareholders in their meetings on May 31, 2022. The other proposed appropriations for 2022 will be resolved by the shareholders in their meeting to be held on May 26, 2023.

d. Other equity

Exchange differences on translating foreign operations

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ (21,134)	$ (45,229)
Recognized for the year:		
Exchange differences on translating the foreign operations	10,922	64,379
Balance at March 31	$ (10,212)	$ 19,150

22. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from the sale of goods	$ 1,642,056	$ 1,295,035
Revenue from the rendering of services	61,986	89,237
	$ 1,704,042	$ 1,384,272

Contract Balances

	March 31, 2023	December 31, 2022	March 31, 2022
Trade receivables (Note 9)	$ 2,145,369	$ 1,733,842	$ 1,188,496
Contract liabilities - current			
Revenue from the sale of goods and rendering of services	$ 823,654	$ 849,341	$ 823,114

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2023	2022
Bank deposits	$ 16,374	$ 4,911
Others	-	56
	$ 16,374	$ 4,967

b. Other income

	For the Three Months Ended March 31	
	2023	2022
Others	$ 1,576	$ 1,324

c. Other gains and losses

	For the Three Months Ended March 31	
	2023	2022
Loss on disposal of property, plant and equipment	$ (28)	$ (795)
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	20	(6)
Net gains of foreign currency exchange	888	17,035
Gain on disposal of right-use-assets	1	-
Others	(243)	(703)
	$ 638	$ 15,531

d. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank loans	$ 1,130	$ 849
Interest on lease liabilities	53	19
	$ 1,183	$ 868

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Property, plant and equipment	$ 33,766	$ 24,760
Right-of-use assets	3,204	1,288
Intangible assets	1,052	1,356
	$ 38,022	$ 27,404
An analysis of depreciation by function		
Operating costs	$ 29,254	$ 21,393
Operating expenses	7,716	4,655
	$ 36,970	$ 26,048
An analysis of amortization by function		
Operating cost	$ 79	$ 115
Operating expenses	973	1,241
	$ 1,052	$ 1,356

f. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plans	$ 10,366	$ 8,153
Defined benefit plans	51	44
	10,417	8,197
Share-based payment	229	438
Short-term benefits	212,109	178,722
Total employee benefits expense	$ 222,755	$ 187,357
An analysis of employee benefits expense by function		
Operating costs	$ 125,557	$ 95,345
Operating expenses	97,198	92,012
	$ 222,755	$ 187,357

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of 5%-10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the three months ended March 31, 2023 and 2022:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	7.02%	7.88%
Remuneration of directors	1.55%	1.57%

Amount

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	$ 46,818	$ 36,675
Remuneration of directors	10,367	7,288

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

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on March 8, 2023 and March 14, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	7.05%	6.56%
Remuneration of directors	1.56%	1.57%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Share	Cash	Share
Compensation of employees	$ 160,914	$ -	$ 79,512	$ -
Remuneration of directors	35,631	-	18,961	-

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

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

h. Gains on foreign currency exchange

	For the Three Months Ended March 31	
	2023	2022
Foreign exchange gains	$ 14,027	$ 34,092
Foreign exchange losses	(13,139)	(17,057)
	$ 888	$ 17,035

24. INCOME TAXES RELATED TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current year	$ 112,042	$ 87,226
Deferred tax		
In respect of the current year	2,006	(1,333)
Income tax expense recognized in profit or loss	$ 114,048	$ 85,893

b. Income tax assessments

The Company's tax returns through 2020 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2023	2022
Basic earnings per share	$ 6.81	$ 4.58
Diluted earnings per share	$ 6.70	$ 4.48

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

Net Profit for the Year

	For the Three Months Ended March 31	
	2023	2022
Net profits attributable to the owners of the Company	$ 538,217	$ 359,457

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	79,028	78,545
Effect of potentially dilutive ordinary shares:		
Compensation of employees issued in the form of shares	497	413
Employee share options	817	1,196
Weighted average number of ordinary shares used in the computation of diluted earnings per share	80,342	80,154

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

26. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company were granted 2,000 thousand options in May 2020. Each option entitles the holder to subscribe for 1,000 ordinary shares of the Company. The options granted are valid for 4 years and exercisable at certain percentages after the first anniversary from the grant date.

Information on employee share options was as follows:

	Employee Share Option Plan Granted in May 2020			
	For the Three Months Ended March 31			
	2023		2022	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	953	$ 43.7	1,446	$ 51.7
Options granted	-	-	-	-
Options forfeited	(3)	-	(7)	-
Options exercised	(9)	43.7	-	-
Options expired	-	-	-	-
Balance at March 31	941	31.7	1,439	43.7
Options exercisable, end of the year	51		-	
Weighted-average fair value of options granted ($)	$ -		$ -	

Compensation costs recognized were $229 thousand and $438 thousand for the three months ended March 31, 2023 and 2022, respectively.

27. CAPITAL MANAGEMENT

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

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

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

28. FINANCIAL INSTRUMENTS

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

Except the financial instruments measured at fair value, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair values.

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

Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 4,735	$ -	$ -	$ 4,735

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 4,715	$ -	$ -	$ 4,715

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 4,260	$ -	$ -	$ 4,260

There were no transfers between Levels 1 and 2 as for March 31, 2023, December 31, 2022, and March 31, 2022.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 4,735	$ 4,715	$ 4,260
Financial assets at amortized cost (1)	6,214,551	5,505,282	5,366,926
Financial liabilities			
Amortized cost (2)	2,646,207	1,507,616	2,107,493

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, financial assets at amortized cost, and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise notes and trade payables, other payables, the current portion of long-term debt, long-term loans, and guarantee deposits received.

d. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risk or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 33.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar and the Chinese Yuan.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. A positive (negative) number indicates an increase (decrease) in pre-tax profit associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant foreign currencies. Conversely, there would be an equal and opposite impact on pre-tax profit for a 5% strengthening (weakening) of the New Taiwan dollar against the relevant foreign currencies.

	USD Impact		**RMB Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 45,406	$ 24,991	$ 20,905	$ 16,223

Note: This was mainly attributable to the exposure on outstanding USD and RMB bank deposits and receivables which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group based on management's knowledge and insight obtained from the financial markets to maintain an appropriate mix of fixed and floating rate borrowings.

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

	March 31, 2023	**December 31, 2022**	**March 31, 2022**
Cash flow interest rate risk	$ 531,493	$ 412,705	$ 540,705

The Group was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2023 and 2022 would decrease/increase by $1,329 thousand and $1,352 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk (without consideration of the collaterals held as security or other credit enhancements, and irrevocable maximum exposure amounts), which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance are made for irrecoverable amounts.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables. Credit insurance will be purchased if necessary.

3) Liquidity risk

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

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2023

	Less than 1 Year	**1-2 Years**	**2-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 2,114,714	$ -	$ -	$ -	$ 2,114,714
Variable interest rate liabilities	41,667	82,287	282,314	125,225	531,493
	$ 2,156,381	$ 82,287	$ 282,314	$ 125,225	$ 2,646,207

December 31, 2022

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 1,094,911	$ -	$ -	$ -	$ 1,094,911
Variable interest rate liabilities	41,667	72,131	163,527	135,380	412,705
	$ 1,136,578	$ 72,131	$ 163,527	$ 135,380	$ 1,507,616

March 31, 2022

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 1,566,788	$ -	$ -	$ -	$ 1,566,788
Variable interest rate liabilities	10,417	49,666	226,777	253,845	540,705
	$ 1,577,205	$ 49,666	$ 226,777	$ 253,845	$ 2,107,493

The amounts of floating rate instruments for the above non-derivative financial assets and liabilities will vary due to the difference between the floating rate and the rate estimated at the balance sheet date.

b) Financing facilities

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loan facilities:			
Amount used	$ 114,584	$ 125,000	$ 125,000
Letter of guarantee used	19,829	29,037	25,713
Amount unused	829,413	811,998	583,537
	$ 963,826	$ 966,035	$ 734,250
Secured bank loan facilities:			
Amount used	$ 416,909	$ 287,705	$ 415,705
Letter of guarantee used	113,058	306,539	366,568
Amount unused	1,285,721	1,472,455	1,489,727
	$ 1,815,688	$ 2,066,699	$ 2,272,000

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group had transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of March 31, 2023, December 31, 2022 and March 31, 2022, the face values of these unsettled bills receivable were $56,684 thousand, $164,481 thousand and $138,520 thousand, respectively. The unsettled bills receivable will be due in 6 months after March 31, 2023 and 2022, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the three months ended March 31, 2023 and 2022, the Group did not recognize gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

29. TRANSACTIONS WITH RELATED PARTIES

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

Remuneration of Key Management Personnel

	For the Three Months Ended March 31	
	2023	**2022**
Short-term employee benefits	$ 27,917	$ 21,516
Share-based payment	49	81
	$ 27,966	$ 21,597

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	March 31, 2023	**December 31, 2022**	**March 31, 2022**	**Object**
Land	$ 132,847	$ 132,847	$ 259,857	Bank borrowings
Property and equipment	512,450	351,083	383,208	Bank borrowings
Time deposit (other financial assets - current)	345,772	403,237	300,775	Bank borrowings and borrowings of usance L/C
	$ 991,069	$ 887,167	$ 943,840	

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of March 31, 2023 were as follows:

a. The Group had outstanding notes payable for security deposits amounting to $63,953 thousand.

b. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to $113,596 thousand.

c. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to US$68 thousand.

d. The Group had outstanding notes payable to Hua Nan Commercial Bank for security deposits under various construction projects amounting to $7,718 thousand.

e. The Group had outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to $124 thousand.

f. The Group had outstanding notes payable to Taishin Bank for security deposits under various construction projects amounting to $5,720 thousand.

g. The Group had outstanding notes payable to China Construction Bank (Asia) Corporation Limited for standby letter of credit under various construction projects amounting to RMB2,805 thousand.

h. The Group had outstanding notes payable to East West Bank for security deposits under various construction projects amounting to US$501 thousand.

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of December 31, 2022 were as follows:

a. The Group had outstanding notes payable for security deposits amounting to $179,102 thousand.

b. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to $113,596 thousand.

c. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to US$68 thousand.

d. The Group had outstanding notes payable to Hua Nan Commercial Bank for security deposits under various construction projects amounting to $11,666 thousand.

e. The Group had outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to $126,819 thousand.

f. The Group had outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to US$2,165 thousand.

g. The Group had outstanding notes payable to Taishin Bank for security deposits under various construction projects amounting to $10,964 thousand.

h. Taipei Fubon Bank issued an import charge of EUR121 thousand to the Group.

i. The Group had outstanding notes payable to China Construction Bank (Asia) Corporation Limited for standby letter of credit under various construction projects amounting to RMB4,968 thousand.

j. The Group had outstanding notes payable to East West Bank for security deposits under various construction projects amounting to US$501 thousand.

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of March 31, 2022 were as follows:

a. The Group had outstanding notes payable for security deposits amounting to $173,263 thousand.

b. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to $54,908 thousand.

c. The Group had outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to US$28 thousand.

d. The Group had outstanding notes payable to Hua Nan Commercial Bank for security deposits under various construction projects amounting to $140,639 thousand.

e. The Group had outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to $126,819 thousand.

f. The Group had outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to US$2,414 thousand.

g. The Group had outstanding notes payable to China Construction Bank (Asia) Corporation Limited for security deposits under various construction projects amounting to RMB2,123 thousand.

32. OTHER ITEMS

The Group considers the possible impact of the recent development of the COVID-19 pandemic and its economic environment implications, the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, and the increased USD interest rate and volatility in markets when making its critical accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. As evaluated, the pandemic, the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, and the increased USD interest rate and volatility in markets did not have a significant impact on the Group’s overall operations, financial position, ability to continue as a going concern, impairment of assets and financing risk as of the date the consolidated financial statements were authorized for issue. In addition, the Group will continue to monitor and assess the impact of changes in the economic environment as a result of the pandemic, the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, and the increased USD interest rate and volatility in markets.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 38,640	30.45	$ 1,176,588
RMB	94,358	4.431	418,100
Financial liabilities			
Monetary items			
USD	8,817	30.45	268,478

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,573	30.71	$ 447,537
RMB	80,306	4.408	353,989
Financial liabilities			
Monetary items			
USD	7,491	30.71	230,049

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 25,364	28.625	$ 726,045
RMB	72,007	4.506	324,464
Financial liabilities			
Monetary items			
USD	7,903	28.625	226,223

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange gains were $888 thousand and $17,035 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

34. SEGMENT INFORMATION

Segment Revenue and Results

The following was an analysis of the Group's revenue, profits and assets from continuing operations by reportable segments:

	For the Three Months Ended March 31, 2023				
	China	Taiwan	America	Adjustment and Reversal	Total
Revenue from external customers	$ 688,643	$ 1,005,066	$ 10,333	$ -	$ 1,704,042
Inter-segment revenue	88	74,572	-	(74,660)	-
	$ 688,731	$ 1,079,638	$ 10,333	$ (74,660)	$ 1,704,042
Segment profit (loss)	$ 290,252	$ 610,187	$ 3,156	$ (251,330)	$ 652,265
Segment assets	$ 3,358,849	$ 9,500,682	$ 109,009	$ (2,638,720)	$ 10,329,820

	For the Three Months Ended March 31, 2022				
	China	Taiwan	America	Adjustment and Reversal	Total
Revenue from external customers	$ 506,979	$ 864,924	$ 12,369	$ -	$ 1,384,272
Inter-segment revenue	11,818	123,365	-	(135,183)	-
	$ 518,797	$ 988,289	$ 12,369	$ (135,183)	$ 1,384,272
Segment profit (loss)	$ 153,711	$ 421,646	$ 759	$ (130,766)	$ 445,350
Segment assets	$ 2,423,013	$ 8,158,254	$ 39,459	$ (2,000,603)	$ 8,620,123

Note: The Group operates in three principal geographical areas - China, Taiwan and America.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: Table 1 (attached).

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2 (attached).

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

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

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

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

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

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: Table 3 (attached).

11) Information on investees: Table 4 (attached).

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5 (attached).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 6 (attached).

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

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

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

c. Information of major shareholders:

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7 (attached).

ALLIED SUPREME CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	2	The limit is 20% of the net value of the financing company based on the latest audited financial statements.	$ 88,620 (RMB 20,000)	$ 88,620 (RMB 20,000) (Note B)	$ -	$ -	1.40	Note A	Y	N	Y	
		Aston Fluorotech Corp.	2	The limit is 20% of the net value of the financing company based on the latest audited financial statements.	15,225 (US$ 500)	15,225 (US$ 500) (Note B)	-	-	0.24	Note A	Y	N	N	

Note A: Aggregate endorsement/guarantee limit is 40% of the net value of the financing company = $6,331,535 thousand x 40% = $2,532,614 thousand.

Note B: Outstanding endorsement/guarantee at the end of the period was based on the average buy/sell closing exchange rate for the three months ended March 31, 2022.

TABLE 2

ALLIED SUPREME CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023			Note
				Number of Shares	Carrying Amount	Fair Value	
Allied Supreme Corp.	Societe Generale 10 Year Hybrid Dual Bond	-	Financial assets at FVTPL - non-current	1,600	$ 4,735	$ 4,735	

ALLIED SUPREME CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transactions Details			% of Total Sales or Assets (Note C)
				Financial Statement Account	Amount	Payment Terms	
	For the three months ended March 31, 2023						
0	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	1	Accounts receivable	$ 94,390	Note D	1
		Allied Supreme (Jia Xing) Corp.	1	Accounts payable	89	Note D	-
		Allied Supreme (Jia Xing) Corp.	1	Sales	70,117	Note D	4
		Allied Supreme (Jia Xing) Corp.	1	Cost of goods sold	88	Note D	-
		Aston Fluorotech Corp.	1	Accounts receivable	7,154	Note D	-
		Aston Fluorotech Corp.	1	Sales	4,455	Note D	-

Note A: The intercompany transactions between each company are identified and numbered as follows:

1. Parent company: 0.
2. Subsidiaries are numbered starting from 1.

Note B: The types of transactions between related parties are as follows:

1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries.

Note C: The percentage to total assets or sales is the ratio of the ending balance to consolidated assets or the cumulative income amount to consolidated revenue.

Note D: The transactions between parent company and subsidiary.

1. Purchase of goods

   Allied Supreme (Jia Xing) Corp.: Terms of the transaction is determined based on bargaining, while the payment term is 75 days after shipment.

2. Sale of goods

   Allied Supreme (Jia Xing) Corp.: Terms of the transaction is determined based on bargaining, while the collection period is 90 days.

   Aston Fluorotech Corp.: Terms of the transaction is determined based on bargaining, while the collection period is 115 days.

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	March 31, 2022	Number of Shares	%	Carrying Amount			
Allied Supreme Corp.	Allied Supreme (Samoa) Corp.	Samoa.	Investment	$ 373,284	$ 373,284	11,750,000	100	$ 2,385,267	$ 248,952	$ 251,763	Subsidiary
	Aston Fluorotech Corp.	U.S.A.	Trading of special functional composite materials and products	18,537	18,537	600	100	29,660	2,379	2,379	Subsidiary
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp.	Samoa.	Investment	373,284	373,284	11,750,000	100	2,384,791	248,955		Second-tier subsidiary

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, In Thousands of Foreign Currencies)

Investee Company	Manufacture of Special Functional Composite Materials and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023	Note
					Outflow	Inflow							
Allied Supreme (Jia Xing) Corp.	Manufacturing of special functional composite materials and products	$ 604,005 (US$ 20,000)	Note	$ 373,284 (US$ 11,750)	$ -	$ -	$ 373,284 (US$ 11,750)	$ 248,985	100.00	$ 251,796	$ 2,381,180	$ -	

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$373,284 (US$11,750)	$604,005 (US$20,000)	$3,798,921

Note: Parent company: Allied Supreme Corp.; subsidiary: Allied Supreme (Samoa) Corp.; second-tier subsidiary: Allied Supreme (China) Corp.; third-tier subsidiary: Allied Supreme (Jia Xing) Corp.

TABLE 6

ALLIED SUPREME CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company in Mainland China	Transaction Type	Amount	Transaction Details			Notes/Accounts Receivable (Payable)			Unrealized (Gain) Loss
			Price	Payment Terms	Comparison with Normal Transactions	Ending Balance		%	
Allied Supreme (Jia Xing) Corp.	Sales of goods	$ 88	Note	Note	Note	Accounts receivable	$ 89	-	$ 8,558
	Purchases of goods	70,117	Note	Note	Note	Accounts payable	(94,390)	(37)	112,590

Note: The payment term is 90 days and the collection term is 75 days after shipment, according to the specifications set by both parties.

TABLE 7

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Yung Ching Investment Co., Ltd.	6,816,732	8.62
Ying Sheng Investment Co., Ltd.	5,163,485	6.53
Hsieh, Sheng Kuo	4,772,640	6.03
Shang He Investment Co., Ltd.	4,520,825	5.71

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