

Evertex Fabrinology Limited
and Subsidiaries

Consolidated Financial Statements
for the Nine Months Ended
September 30, 2024 and 2023 and
Independent Auditors' Review
Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders

Evertex Fabrinology Limited

Preface

We have audited the accompanying consolidated financial statements of Evertex Fabrinology Limited (the "Group") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of September 30, 2024 and 2023 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. It is the management's responsibility to prepare consolidated financial statements that adequately express themselves in accordance with the financial reporting standards for securities issuers and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. Draw conclusions on the consolidated financial statements based on the review results.

Scope

The accountant performs the review work in accordance with Review Standard No. 2410 "Review of Financial Statements". The procedures performed when reviewing the consolidated financial statements include inquiries (primarily to those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review work is significantly smaller than the scope of the audit work. Therefore, the accountant may not be able to detect all significant matters that can be identified through the audit work, and therefore cannot express an audit opinion.

In conclusion

Based on the results of the accountant's review, it was not found that the consolidated financial statements of Shangkai failed in all material aspects to comply with the preparation standards for financial reporting of securities issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. " preparation, resulting in the inability to adequately express the consolidated

financial position of Tatung Group as of September 30, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flow from January 1 to September 30, 2024.

Deloitte & Touche
Taipei, Taiwan
Republic of China
November 08, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and its cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRS endorsed by the FSC). The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditor's review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's review report and consolidated financial statements, the Chinese version shall prevail.

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2024 (Reviewed)		December 31, 2023 (Audited)		September 30, 2023 (Reviewed)	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Note 6)	\$ 290,598	25	\$ 202,034	18	\$ 161,487	14
1110	Current financial assets at fair value through profit or loss (Note 7)	21,085	2	57,165	5	51,409	5
1120	Current financial assets at fair value through other comprehensive income(Note 8)	-	-	10,286	1	10,075	1
1136	Current financial assets at amortization cost (Note 9 、 30)	75,213	6	176,329	15	219,203	19
1150	Notes receivable (Note 10 and 23)	2,157	-	2,349	-	5,934	1
1170	Accounts receivable (Note 10 and 23)	68,562	6	52,080	5	49,311	4
1200	Other receivables(Note 10)	3,814	-	1,220	-	2,116	-
130X	Current inventories(Note 11)	163,346	14	140,608	12	118,909	11
1479	Other current assets(Note 12 and 29)	24,660	2	13,503	1	24,389	2
11XX	Total current assets	<u>649,435</u>	<u>55</u>	<u>655,574</u>	<u>57</u>	<u>642,833</u>	<u>57</u>
Non-current Assets							
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	6,289	1	4,592	-	4,693	1
1535	Current financial assets at amortization (Note 9)	91,161	8	-	-	44,985	4
1540	Financial assets measured at cost after amortization	-	-	45,226	4	-	-
1600	Property, plant and equipment (Note 14 and 30)	388,062	33	406,012	36	407,341	36
1755	Right-of-use Assets (Note 15)	7,690	1	10,390	1	11,087	1
1780	Intangible assets(Note 16)	55	-	109	-	127	-
1840	Deferred tax assets (Note 4)	2,393	-	2,573	-	2,028	-
1915	Prepaid equipment	6,168	-	4,695	1	3,039	-
1920	Guarantee deposits paid(Note 4 and 21)	2,662	-	2,661	-	2,661	-
1975	Net defined benefit asset (Note 4 and 21)	3,573	-	3,368	-	3,445	-
1990	Other non-current Assets (Note 12)	22,081	2	10,225	1	10,225	1
15XX	Total non-current Assets	<u>530,134</u>	<u>45</u>	<u>489,851</u>	<u>43</u>	<u>489,631</u>	<u>43</u>
1XXX	Total assets	<u>\$ 1,179,569</u>	<u>100</u>	<u>\$ 1,145,425</u>	<u>100</u>	<u>\$ 1,132,464</u>	<u>100</u>
Liabilities and Equity							
Current Liabilities							
2100	Short-term borrowings (Notes 17)	\$ 30,000	2	\$ 35,000	3	\$ 35,000	3
2130	Current contract liabilities (Note 23)	11,182	1	8,497	1	5,839	1
2150	Notes payable (Note 18)	8,502	1	8,133	1	14,065	1
2160	Note payables to related parties(Note 18 and 29)	697	-	1,212	-	713	-
2170	Account payable(Note 18)	31,695	3	19,616	2	10,841	1
2180	Account payables to related parties(Note 18 and 29)	680	-	593	-	659	-
2219	Other payables(Note 19)	69,334	6	63,122	5	54,625	5
2230	Income tax payable(Note 4)	10,601	1	7,999	1	8,147	1
2280	Current lease liabilities (Note 15 and 29)	3,707	-	3,992	-	3,977	-
2399	Other current liabilities(Note 20)	866	-	777	-	838	-
21XX	Total current liabilities	<u>167,264</u>	<u>14</u>	<u>148,941</u>	<u>13</u>	<u>134,704</u>	<u>12</u>
Non-current Liabilities							
2570	Deferred tax liabilities (Note 4)	5,250	1	4,705	-	5,313	-
2580	Non-current lease liabilities (Note 15 and 29)	4,082	-	6,459	1	7,151	1
25XX	Total Non-current Liabilities	<u>9,332</u>	<u>1</u>	<u>11,164</u>	<u>1</u>	<u>12,464</u>	<u>1</u>
2XXX	Total Liabilities	<u>176,596</u>	<u>15</u>	<u>160,105</u>	<u>14</u>	<u>147,168</u>	<u>13</u>
Equity attributable to owners of the company (Note 22)							
3110	Capital stock	857,670	73	857,670	75	857,670	76
3200	Capital surplus	7,317	1	7,317	-	7,317	-
Retained earnings							
3310	Appropriated as legal capital reserve	64,147	5	59,225	5	59,225	5
3320	Appropriated as special capital reserve	1,651	-	3,364	1	3,364	1
3350	Unappropriated earnings	70,849	6	59,394	5	59,480	5
3300	Total Retained earnings	<u>136,647</u>	<u>11</u>	<u>121,983</u>	<u>11</u>	<u>122,069</u>	<u>11</u>
3400	Other equity	1,339	-	(1,650)	-	(1,760)	-
3XXX	Total equity	<u>1,002,973</u>	<u>85</u>	<u>985,320</u>	<u>86</u>	<u>985,296</u>	<u>87</u>
Total Liabilities and equity		<u>\$ 1,179,569</u>	<u>100</u>	<u>\$ 1,145,425</u>	<u>100</u>	<u>\$ 1,132,464</u>	<u>100</u>

(The attached notes form part of the entity's financial statement)

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)
(Reviewed only, not checked under auditing standards)

Code		From July 1,2024 Until September 30		From July 1,2023 Until September 30		From January 1,2024 Until September 30		From January 1,2023 Until September 30	
		Amount	%	Amount	%	Amount	%	Amount	%
	Net Revenue (Note 23)								
4100	Sales Revenue	\$160,096	81	\$115,044	79	\$480,219	84	\$414,858	79
4600	Service Revenue	<u>36,454</u>	<u>19</u>	<u>30,508</u>	<u>21</u>	<u>93,237</u>	<u>16</u>	<u>112,164</u>	<u>21</u>
4000	Total Net Revenue	<u>196,550</u>	<u>100</u>	<u>145,552</u>	<u>100</u>	<u>573,456</u>	<u>100</u>	<u>527,022</u>	<u>100</u>
	Cost (Note 11 、 23 and 29)								
5110	Cost of sales	89,493	46	62,797	43	279,679	49	256,538	49
5600	Cost of services	<u>55,984</u>	<u>28</u>	<u>54,942</u>	<u>38</u>	<u>147,376</u>	<u>25</u>	<u>161,922</u>	<u>31</u>
5000	Total Cost	<u>145,477</u>	<u>74</u>	<u>117,739</u>	<u>81</u>	<u>427,055</u>	<u>74</u>	<u>418,460</u>	<u>80</u>
5900	Gross profit from operations	<u>51,073</u>	<u>26</u>	<u>27,813</u>	<u>19</u>	<u>146,401</u>	<u>26</u>	<u>108,562</u>	<u>20</u>
	Operating Expenses (Note 23 and 29)								
6100	Selling Expenses	21,244	11	16,470	11	60,007	11	51,522	10
6200	Administrative expenses	7,271	3	7,316	5	23,528	4	23,332	4
6450	Expected credit Gain (Note 10)	<u>321</u>	<u>-</u>	<u>(50)</u>	<u>-</u>	<u>434</u>	<u>-</u>	<u>(163)</u>	<u>-</u>
6000	Total Operating Expenses	<u>28,836</u>	<u>14</u>	<u>23,736</u>	<u>16</u>	<u>83,969</u>	<u>15</u>	<u>74,691</u>	<u>14</u>
6500	Other income and expenses, net (Note 23)	<u>-</u>	<u>-</u>	<u>377</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>377</u>	<u>-</u>
6900	Operating income	<u>22,237</u>	<u>12</u>	<u>4,454</u>	<u>3</u>	<u>62,532</u>	<u>11</u>	<u>34,248</u>	<u>6</u>
	Non-operating income and expenses(Note 23 and 29)								
7100	Interest income	3,636	2	1,560	1	9,293	2	3,853	1
7190	Other income	845	-	2,193	1	2,281	-	4,638	1
7020	Other gains and losses	(11,850)	(6)	(197)	-	7,471	1	16,265	3
7050	Finance cost	<u>(233)</u>	<u>-</u>	<u>(240)</u>	<u>-</u>	<u>(726)</u>	<u>-</u>	<u>(633)</u>	<u>-</u>
7000	Non-operating income and expenses	<u>7,602</u>	<u>(4)</u>	<u>3,316</u>	<u>2</u>	<u>18,319</u>	<u>3</u>	<u>24,123</u>	<u>5</u>
7900	Profit from continuing operations before tax Income before tax	14,635	8	7,770	5	80,851	14	58,371	11
7950	Tax expense (Note 4 and 24)	<u>(3,320)</u>	<u>(2)</u>	<u>(2,282)</u>	<u>(1)</u>	<u>(15,034)</u>	<u>(2)</u>	<u>(9,068)</u>	<u>(1)</u>
8200	Profit from continuing operations Other comprehensive income	<u>11,315</u>	<u>6</u>	<u>5,488</u>	<u>4</u>	<u>65,817</u>	<u>12</u>	<u>49,303</u>	<u>10</u>
	Other Comprehensive income								
8310	Items not reclassified to profit or loss								
8316	Unrealized Gains from investments in equity instruments measured at fair value through other(Note 22)	<u>413</u>	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>1,581</u>	<u>-</u>	<u>1,604</u>	<u>-</u>
8300	Components of other comprehensive income that will not be reclassified to profit or loss	<u>413</u>	<u>-</u>	<u>(269)</u>	<u>-</u>	<u>1,581</u>	<u>-</u>	<u>1,604</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 11,728</u>	<u>6</u>	<u>\$ 5,219</u>	<u>4</u>	<u>\$ 67,398</u>	<u>12</u>	<u>\$ 50,907</u>	<u>10</u>
9710	Basic	<u>\$ 0.13</u>		<u>\$ 0.06</u>		<u>\$ 0.77</u>		<u>\$ 0.57</u>	
9810	Diluted	<u>\$ 0.13</u>		<u>\$ 0.06</u>		<u>\$ 0.77</u>		<u>\$ 0.57</u>	

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2024 and 2023
(Reviewed only, not checked under auditing standards)

Unit:NT\$ thousand

Code		Retained earnings				Other equity		Total equity
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
A1	Balance on January 1, 2023	\$ 857,670	\$ 7,317	\$ 55,712	\$ 3,485	\$ 52,164	(\$ 3,364)	\$ 972,984
	Appropriation of the 2022 earnings (Note 22)							
B1	Legal reserve appropriated	-	-	3,513	-	(3,513)	-	-
B17	Reversal of special reserve	-	-	-	(121)	121	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(38,595)	-	(38,595)
D1	Net income of January 1, 2023 to September 30, 2023	-	-	-	-	49,303	-	49,303
D3	Other Comperhensive income after tax of January 1, 2023 to September 30, 2023 (Note 22)	-	-	-	-	-	1,604	1,604
D5	Other Comperhensive income after tax of 1 January 2023 to September 30, 2023 (Note 22)	-	-	-	-	49,303	1,604	50,907
Z1	Balance on September 30, 2023	\$ 857,670	\$ 7,317	\$ 59,225	\$ 3,364	\$ 59,480	(\$ 1,760)	\$ 985,296
A1	Balance on January 1, 2024	\$ 857,670	\$ 7,317	\$ 59,225	\$ 3,364	\$ 59,394	(\$ 1,650)	\$ 985,320
	Appropriation of the 2023 earnings (Note 22)							
B1	Legal reserve appropriated	-	-	4,922	-	(4,922)	-	-
B17	Reversal of special reserve	-	-	-	(1,713)	1,713	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(49,745)	-	(49,745)
D1	Net income of January 1, 2024 to September 30, 2024	-	-	-	-	65,817	-	65,817
D3	Other Comperhensive income after tax of January 1, 2024 to September 30, 2024 (Note 22)	-	-	-	-	-	1,581	1,581
D5	Other Comperhensive income after tax of January 1, 2024 to September 30, 2024	-	-	-	-	65,817	1,581	67,398
Q1	Profit or loss on disposal of financial assets measured at fair value through other comprehensive profit or loss is transferred to retained earnings					(1,408)	1,408	
Z1	Balance on September 30, 2024	\$ 857,670	\$ 7,317	\$ 64,147	\$ 1,651	\$ 70,849	\$ 1,339	\$ 1,002,973

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

(Reviewed only, not checked under auditing standards)

Code		Nine Months Ended September 30	
		2024	2023
	Cash flows from (used in) operating activities, indirect method		
A10000	Net Profit before Tax	\$ 80,851	\$ 58,371
A20100	Depreciation Expense	37,866	37,643
A20200	Amortization expense	54	77
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	434	(163)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(2,393)	(7,971)
A20900	Finance costs	726	633
A21200	Interest income	(9,293)	(3,853)
A21300	Dividend income	(636)	(3,027)
A22500	Disposal of property plant, and equipment	(100)	(377)
A23700	Impairment losses (gain) on non-financial assets	378	(1,550)
A24100	Unrealized foreign exchange loss (gain)	209	(2,936)
A29900	Lease modification benefit	(3)	-
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in note receivable	192	9,472
A31150	Decrease (increase) in accounts receivable	(17,189)	4,306
A31180	Decrease (increase) in other receivable	(2,256)	(1,231)
A31200	Decrease (increase) in inventories	(23,116)	76,639
A31240	Decrease (increase) in other current assets	(11,157)	4,007
A31250	Decrease (increase) in Net defined benefit asset	(205)	(151)
A32125	Increase (decrease) in contract liabilities	2,685	(2,834)
A32130	Increase (decrease) in notes payable	369	(509)
A32140	Increase (decrease) in notes payable from related parties	(515)	713
A32150	Increase (decrease) in accounts payable	12,065	(12,148)
A32160	Increase (decrease) in accounts payable from related parties	87	659
A32180	Increase (decrease) in other payable	3,834	(3,848)
A32230	Increase (decrease) in other current liabilities	89	44
A32240		-	-
A33000	Total changes in operating assets and liabilities	72,976	151,966
A33100	Interest received	1,309	112

A33300	Interest paid	(726)	(633)
A33500	Income taxes refund (paid)	(\$ 11,707)	(\$ 15,872)
AAAA	Net cash flows from (used in) operating activities	<u>61,852</u>	<u>135,573</u>
	Cash flows from (used in) investing activities		
B00400	Acquisition of Financial assets measured at amortised cost	(44,829)	(134,453)
B00050	Proceeds from disposal of financial assets at amortized cost	101,815	
B00200	Disposal of financial assets at fair value through other comprehensive income	38,473	36,975
B00020	Disposal of financial assets at fair value through profit or loss	10,170	-
B02700	Acquisition of property, plant and equipment	(12,940)	(26,463)
B02800	Disposal of property, plant and equipment	100	377
B03700	Increase in refundable deposits	(1)	(430)
B06700	Increase in Other non-current Assets	(11,856)	(7,053)
B07100	Acquisition of prepaid equipment	(2,924)	(1,836)
B07500	Interest received	7,577	3,092
B07600	Dividends received	<u>636</u>	<u>2,827</u>
BBBB	Net cash flows from (used in) investing activities	<u>86,221</u>	<u>(126,964)</u>
	Cash flows from (used in) financing activities		
C00200	Decrease in short-term Loan	(5,000)	-
C04020	Repayment of the principal portion of lease liabilities	(3,105)	(2,558)
C04500	Cash dividends paid	<u>(49,745)</u>	<u>(38,595)</u>
CCCC	Net cash flows from (used in) financing activities	<u>(57,850)</u>	<u>(41,153)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(1,659)</u>	<u>412</u>
EEEE	Net increase (decrease) in cash and cash equivalents	88,564	(32,132)
E00100	Cash and cash equivalents at beginning of period	<u>202,034</u>	<u>193,619</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 290,598</u>	<u>\$ 161,487</u>

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

(Reviewed only, not checked under auditing standards)

(I) General

EVERTEX FABRINOLOGY LTD. (hereinafter referred to as "the Group") was established in December 1986 under the original name of "Evertex Dyeing & Finishing Ltd." and was renamed to "EVERTEX FABRINOLOGY LTD." by the resolution of the shareholders' meeting held on June 29, 2018. The Group is engaged in the business of dyeing and finishing all kinds of textile products. In April 1996, the Group introduced the business of purchasing raw fabrics for dyeing and finishing and then selling them in order to stabilize the supply of dyeing and finishing materials.

The Group 's shares have been listed and traded on the Taiwan Stock Exchange since May 21, 1999.

The consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Group.

(II) Date and Procedure for the Approval of Financial Reports

The consolidated financial report was approved by the board of directors on November 8, 2024.

(III) Application of Newly Issued and Revised Standards and Interpretations

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

The application of the amended IFRSs endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of the Group.

2. The IFRSs endorsed by the FSC for application starting from 2025

Newly released/amended/revised standards and explanations	Effective date issued by the International Accounting Standards Board (IASB)
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note)
Note: Applicable to annual reporting periods starting after January 1, 2025. When this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the retained earnings or exchange differences of foreign operating institutions under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.	

As of the date of issuance of this consolidated financial report, the combined company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

3. The IFRS accounting standards have been issued by the IASB but have not yet been approved and issued by the Financial Supervisory Commission.

Newly released/amended/revised standards and explanations	Effective date of IASB announcement (note)
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Asset sales or contributions between investors and their affiliates or joint ventures"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027

Note: Unless otherwise stated, the above newly

released/amended/revised standards or interpretations are effective for the annual reporting period starting after each respective date.

4. IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements".

The main changes in this standard include:

- The income statement should divide income and expense items into operating, investment, financing, income tax and closed unit types.

- The profit and loss statement should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.

- Provide guidance to strengthen aggregation and segmentation requirements: Merging companies must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other matters, and classify and summarize them on the basis of common characteristics so that the main Each line item presented in the financial statements has at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The merged company will label these items as "other" only if it cannot find a more informative name.

- Increase the disclosure of performance measures defined by management: When the merged company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the merged company's overall financial performance to users of financial statements, it should include a single note in the financial statements. Disclose information related to performance measurement defined by management, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciliation items.

In addition to the above-mentioned impacts, as of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the above-mentioned amendments to other standards and interpretations on the financial position and

financial performance. The relevant impacts will be disclosed when the assessment is completed.

(IV) Summary Statement of Major Accounting Policies

1. Compliance Statement

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and IAS 34 "Interim Financial Reports" approved and issued effective by the Financial Supervisory Commission. This consolidated financial report is prepared in accordance with the financial report preparation standards of securities issuers.

2. Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities based on the present value of determined benefit obligations less the fair value of plan assets, this individual financial report is prepared on a historical cost basis.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of the relevant input values:

1. Level 1 input value: refers to the quoted price in the active market for the same assets or liabilities available on the measurement date (unadjusted).
2. Level 2 input value: refers to the observable input value of assets or liabilities directly (i.e. price) or indirectly (i.e. from price derivation) in addition to the quotation at level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

3. Basis of consolidation

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

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

The financial statements of the subsidiaries have been appropriately adjusted to bring its accounting policies in line with those of the merged group.

For the details, shareholding ratio and business items of subsidiaries, please refer to Table 4 of Note 13.

4. Other significant accounting policies

In addition to the following instructions, please refer to the summary of significant accounting policies in the 2024 Consolidated Financial Report.

(1) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

- a. Assets held mainly for trading purposes;
- b. Assets expected to be realized within 12 months after the balance sheet date; and
- c. Cash and cash equivalents (but excluding those that are restricted from being used to exchange or settle liabilities more than 12 months after the balance sheet date).

Uncurrent assets include:

- a. Liabilities held mainly for trading purposes;
- b. Liabilities expected to be realized within 12 months after the balance sheet date; and
- c. Liabilities for which there is no substantive right at the balance sheet date to defer repayment to at least 12 months after the balance sheet date.

Those that are not current assets or current liabilities as mentioned above are classified as non-current assets or non-current liabilities.

(2) Defined benefits Post-employment benefits

Pension costs during the interim period are calculated based on the actuarially determined pension cost rate at the end of the previous financial year from the beginning of the year to the end of the

current period, taking into account significant market fluctuations in the current period, as well as major plan amendments, liquidations or other changes. Adjustments will be made for major one-time events.

(3) Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on interim pre-tax benefits at the tax rate applicable to the expected total earnings for the year.

(V) Main Sources of Uncertainty about Major Accounting Judgements, Estimates and Assumptions

When adopting accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those who are difficult to obtain relevant information from other sources. The actual results may differ from the estimates.

When developing significant accounting estimates, the combined company will take into account the possible impact on the economic environment, including cash flow estimates, growth rates, discount rates, profitability and other relevant major accounting estimates. The management will continue to review estimates and Basic assumptions.

The management of the Group evaluated that there were no critical accounting judgments or estimation uncertainty on the accounting policies, estimates and basic assumptions that were adopted by the Group.

(VI) Cash and Cash Equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash	\$ 251	\$ 302	\$ 273
Bank Check and Current Deposit	87,545	122,790	128,285
Cash Equivalents			
Bank fixed deposit with original maturity date within 3 months	<u>202,802</u>	<u>78,942</u>	<u>32,929</u>
	<u>\$ 290,598</u>	<u>\$ 202,034</u>	<u>\$ 161,487</u>

The market interest rates for bank demand deposit and bank fixed deposit with original maturity date within 3 month commercial promissory notes at the balance sheet date are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Bank demand deposit	0.635% ~ 1.10%	0.005% ~ 1.45%	0.51% ~ 1.45%
Bank fixed deposit with original maturity date within 3 months	4.48% ~ 5.2%	4.55%	4.45% ~ 4.55%

(VII) Financial instruments measured at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial Assets-Current</u>			
Compulsory measurement at fair value through profit or loss			
Non-derivative Financial			
– Domestic Listed			
(OTC) Stocks	\$ <u>21,085</u>	\$ <u>57,165</u>	\$ <u>51,409</u>

(VIII) Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss

Equity Instrument Investment:

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Domestic Investment			
Listed Stocks	\$ <u>-</u>	\$ <u>10,286</u>	\$ <u>10,075</u>
<u>Uncurrent</u>			
Foreign Investment			
Bright Wisdom Holdings Limited	\$ <u>6,289</u>	\$ <u>4,592</u>	\$ <u>4,693</u>

The group invests for medium-and long-term strategic purposes and expects to make a profit through long-term investment. The management of the group considers that the short-term fair value fluctuations of these investments are inconsistent with the aforementioned long-term investment planning if they are included in profit or loss, and therefore

choose to designate these investments to be measured at fair value through other comprehensive profits and losses.

(IX) Financial Assets Measured at Amortized Cost

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
<u>Domestic investment</u>			
Time deposits with original maturities of less than 3 months	\$ 74,713	\$ 166,685	\$ 215,495
Restricted assets	<u>500</u>	<u>500</u>	<u>500</u>
	<u>75,213</u>	<u>167,185</u>	<u>215,995</u>
<u>Foreign investment</u>			
U.S. government debt	-	6,087	3,208
Corporate bonds	<u>-</u>	<u>3,057</u>	<u>-</u>
	<u>-</u>	<u>9,144</u>	<u>3,208</u>
	<u>\$ 75,213</u>	<u>\$ 176,329</u>	<u>\$ 219,203</u>
<u>Noncurrent</u>			
Foreign investment			
U.S. government deb	\$ 7,117	\$ 4,220	\$ 10,808
Corporate bonds	<u>84,044</u>	<u>41,006</u>	<u>34,177</u>
	<u>\$ 91,161</u>	<u>\$ 45,226</u>	<u>\$ 44,985</u>

(I) The interest rates on time deposits and restricted assets with original maturities of more than 3 months at the end of the reporting period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of less than 3 months	1.575%~1.7%	1.45%~4.4%	1.325%~4.4%
Restricted assets	1.525%	1.4%	1.4%

Restricted assets are time deposits that purchase in as security from firm. Please refer to Note 30.

(II) In February 2023, the company obtained the bonds from Oracle Corporation with the face value of USD 100 thousand, bonds from Altria Group Inc. with the face value of USD 100 thousand, bonds from United States Steel Corporation with the face value of USD

100 thousand, and U.S. Treasury Dollar Bonds with the face value of USD 200 thousand, at a premium of NT\$ 15,130 thousand. The maturity dates are July 2040, February 2039, March 2029 and August 2024 respectively. The coupon rates are 5.38%, 5.8%, 6.88% and 3.00% respectively, and the effective interest rates are 5.58%, 6.02%, 6.26% and 4.35% respectively. In April 2023, the company obtained the bonds from Qualcomm Incorporated with the face value of USD 100 thousand, bonds from AT&T American Telephone & Telegraph with the face value of USD 50 thousand, bonds from Verizon Communications Inc. with the face value of USD 50 thousand, bonds from Apple Corporate with the face value of USD 200 thousand, and bonds from Berkshire Hathaway Financial Corporation with the face value of USD 100 thousand, at a premium of NT\$ 15,380 thousand. The maturity dates are May 2035, May 2046, September 2048, February 2046 and January 2049 respectively. The coupon rates are 4.65%, 4.75%, 4.52%, 4.65% and 4.25% respectively, and the effective interest rates are 4.21%, 5.26%, 5.00%, 4.37% and 4.41% respectively. In July 2023, the company obtained the U.S. Treasury Dollar Bond with the face value of USD 150 thousand, bonds from ORIX Corporation with the face value of USD 150 thousand, bonds from Royal Bank of Canada with the face value of USD 100 thousand, and bonds from Macquarie Bank Limited with the face value of USD 100 thousand, at a premium of NT\$ 15,120 thousand. The maturity dates are May 2042, September 2032, July 2024, and June 2026 respectively. The coupon rates are 3.25%, 5.20%, 3.97%, and 5.21% respectively, and the effective interest rates are 3.89%, 4.55%, 4.71% and 4.95% respectively. In October 2023, the company obtained the bonds from Berkshire Hathaway Financial Corporation with the face value of USD 80 thousand, bonds from United States Steel Corporation with the face value of USD 70 thousand, bonds from The Estee Lauder Companies Inc. with the face value of USD 50 thousand, bonds from The Boeing Company with the face value of USD 50 thousand, and bonds from

Qualcomm Incorporated with the face value of USD 50 thousand, at a premium of NT\$ 8,743 thousand. The maturity dates are January 2049, March 2029, May 2033, May 2030, and May 2035 respectively. The coupon rates are 4.25%, 6.88%, 4.65%, 5.15% and 4.65% respectively, and the effective interest rates are 5.65%, 6.94%, 5.50%, 5.94% and 5.32% respectively. In March 2024, the company obtained the AT&T American Telephone & Telegraph with the face value of USD 50 thousand, bonds from UBS London USD Corporate Bond with the face value of USD 50 thousand, bonds from UnitedHealth Group Inc. USD Corporate Bonds with the face value of USD 100 thousand, bonds from Verizon Communications Inc. with the face value of USD 50 thousand, bonds from U.S. Treasury Dollar Bonds with the face value of USD 100 thousand, bonds from Berkshire Hathaway Financial Corporation with the face value of USD 50 thousand and bonds from Eli Lilly and Company USD Corporate Bonds with the face value of USD 100 thousand, at a premium of NT\$15,938 thousand. The maturity dates are May 2046, December 2028, July 2045, September 2048, May 2042, January 2049 and February 2033 respectively. The coupon rates are 4.522%, 3.25%, 4.25%, 4.7%, 4.75%, 5.00% and 4.75% respectively, and the effective interest rates are 5.33%, 4.77%, 4.94%, 5.14%, 4.29%, 4.77% and 4.48% respectively. In June 2024, the company obtained the Nomura International Capital Pte Ltd USD Corporate Bond with the face value of USD 100 thousand, bonds from Pfizer Pharmaceutical Co., Ltd. USD Corporate Bonds with the face value of USD 100 thousand, bonds from Eli Lilly and Company USD Corporate Bonds with face value of USD 50 thousand, bonds from Qualcomm Incorporated USD Corporate Bond with the face value of USD 50 thousand, at a premium of NT\$9,377 thousand. The maturity dates are March 2034, May 2044, February 2033 and May 2035 respectively. The coupon rates are 5.12%, 4.40%, 4.70% and 4.65% respectively, and the effective interest rates are 5.12%, 4.87%, 4.56% and 4.51% respectively. In July 2024, the company

obtained the Oracle Corporation USD Corporate Bond with the face value of USD 100 thousand, bonds from Starbucks Corporation USD Corporate Bonds with the face value of USD 150 thousand, bonds from Meta Platform Company USD Corporate Bonds with the face value of USD 100 thousand, bonds from Goldman Sachs Financial Services International Ltd. Stepped Rate USD Corporate Bonds with the face value of USD 100 thousand, at a premium of NT\$14,039 thousand. The maturity dates are July 2040, August 2049, May 2053 and May 2033 respectively. The coupon rates are 5.38%, 4.45%, 5.60%, 6% and 4.7% respectively, and the effective interest rates are 5.36%, 5.36%, 5.08% and 4.95% respectively. In August 2024, the company obtained the UnitedHealth Group Inc. USD Corporate Bonds with the face value of USD 100 thousand, bonds from Nomura International Capital Pte Ltd USD Corporate Bond with the face value of USD 100 thousand, at a premium of NT\$6,464 thousand. The maturity dates are July 2045 and March 2034 respectively. The coupon rates are 4.75% and 5.12% respectively, and the effective interest rates are 5.05% and 4.91% respectively.

- (III) The company only invests in debt instruments whose credit rating is above investment grade (inclusive) and the derogation assessment is of low credit risk, and the credit rating information is provided by independent rating agencies. The company continues to track external rating information to monitor changes in credit risk of invested debt instruments, and to review other information such as bond yield curve and significant information on debtors, in order to assess whether the credit risk of investment in debt instruments has increased significantly since the original recognition.

The company takes into account the current financial position of the debtors and the forecast of the prospects of their industries to measure the expected credit loss of 12 months or the duration of the investment in debt instruments.

The current credit risk rating mechanism of the Company is as the following:

Credit Rating	Definition	Basis for Recognizing ECLs
Normal	The credit risk of the debtor is low, with sufficient solvency for the contractual cash flow	12-month expected credit losses
Abnormal	The credit risk has been significantly increased since initial recognition	Lifetime expected credit losses (credit not impaired)
Default	Evidence of credit loss exists	Lifetime expected credit losses (credit-impaired)
Write Off	The available proof showed that the debtor was suffering serious financial difficulties and it was impossible for the merged company to expect recoverability	Direct Write Off

The total carrying amounts of the debt instrument investments of each credit rating, and the applicable ECL rates are as the following:

September 30, 2024

Credit Rating	Expected Credit Loss (ECL)	Total of Carrying Amount Instruments carried at amortized cost
Normal	0%	\$ 91,161
Abnormal	-	-
Default	-	-
Write Off	-	-

December 31, 2023

Credit Rating	Expected Credit Loss (ECL)	Total of Carrying Amount Instruments carried at amortized cost
Normal	0%	\$ 54,370
Abnormal	-	-
Default	-	-
Write Off	-	-

September, 2023

Credit Rating	Expected Credit Loss (ECL)	Total of Carrying Amount Instruments carried at amortized cost
Normal	0%	\$ 48,193
Abnormal	-	-
Default	-	-
Write Off	-	-

As of September 30, 2024 and 2023 the company assessed that the credit risk of the debtor was low and had sufficient capacity to repay the cash flow of the contract, so the expected credit loss was not mentioned.

(X) Notes Receivables, Account Receivables And Other Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Note Receivable</u>			
Measured at Amortized Cost			
Total Book Valu	\$ 2,157	\$ 2,349	\$ 5,934
Minus: Allowance for Loss	-	-	-
	\$ 2,157	\$ 2,349	\$ 5,934
 <u>Account Receivable</u>			
Measured at Amortized Cost			
Total Book Valu	\$ 69,246	\$ 52,332	\$ 49,548
Minus: Allowance for Loss	(684)	(252)	(237)
	\$ 68,562	\$ 52,080	\$ 49,311
 <u>Other Receivable</u>			
Dividends Receivable	\$ -	\$ -	\$ 200
Tax Refound	2,257	-	1,226
Interest Receivable	1,555	1,217	675
Others	2	3	15
	\$ 3,814	\$ 1,220	\$ 2,116

(I) Note Receivable and Account Receivable

Before accepting a new customer, the Group evaluates the credit rating and sets the credit limit for that potential customer. Customer

credit limits and ratings are reviewed annually on an occasional basis. The average credit period for sales of goods and dyeing and finishing is 60 days

The IFRS 9 simplified approach is adopted by the Group to recognize an allowance for losses on notes receivable and accounts receivable based on lifetime expected credit losses. The lifetime expected credit losses is calculated by using the reserve matrix, which examines the past default records of customers and their current financial situation, the economic situation, the GDP forecast, and the industry outlook. The historical experience of the Group's credit loss history has shown that the loss patterns of different customer have not significantly different from the loss patterns. Therefore, the provision matrix is not further differentiated in the client base. Only the number of days for notes receivable and accounts receivable are used for setting the expected credit loss rate.

The Group directly writes off related notes receivable and accounts receivable when there is evidence indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery by the Group. For example, the debtor is in liquidation. The Group continues to engage in enforcement activity, and the recovered amounts are recognized as profit or loss.

1. The Group measures the allowance loss of notes receivable according to the reserve matrix as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
	Within 120 days of account opening	Within 120 days of account opening	Within 120 days of account opening
Expected Credit Loss Rate	0%	0%	0%
Total Book Value	\$ 2,157	\$ 2,349	\$ 5,934
Allowance for Loss (Expected Credit Loss During the Period of Existence)	-	-	-
Amortized Cost	<u>\$ 2,157</u>	<u>\$ 2,349</u>	<u>\$ 5,934</u>

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

September 30, 2024

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	181 to 210 days	211 to 240 days	Over 240 Days	Total
Expected credit loss rate	0.10%	1.51%	7.74%	29.62%	47.82%	74.31%	100%	100%	100%	
Total Book Value	\$ 50,992	\$ 17,024	\$ 849	\$ 28	\$ 66	\$ 56	\$ 64	\$ 75	\$ 92	\$ 69,246
Loss allowance (Lifetime)										
ECLs	(48)	(257)	(66)	(8)	(32)	(42)	(64)	(75)	(92)	(684)
Amortized cost	<u>\$ 50,944</u>	<u>\$ 16,767</u>	<u>\$ 783</u>	<u>\$ 20</u>	<u>\$ 34</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,562</u>

December 31, 2023

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	181 to 210 days	211 to 240 days	Over 240 Days	Total
Expected credit loss rate	0.06%	0.12%	2.90%	22.20%	39.06%	69.63%	100%	100%	100%	
Total Book Value	\$ 35,983	\$ 13,877	\$ 2,159	\$ -	\$ 219	\$ 94	\$ -	\$ -	\$ -	\$ 52,332
Loss allowance (Lifetime)										
ECLs	(23)	(16)	(63)	-	(85)	(65)	-	-	-	(252)
Amortized cost	<u>\$ 35,960</u>	<u>\$ 13,861</u>	<u>\$ 2,096</u>	<u>\$ -</u>	<u>\$ 134</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,080</u>

September 30, 2023

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	181 to 210 days	211 to 240 days	Over 240 Days	Total
Expected credit loss rate	0.07%	0.12%	2.97%	21.25%	39.70%	72.9%	100%	100%	100%	
Total Book Value	\$ 34,229	\$ 12,630	\$ 2,365	\$ -	\$ 324	\$ -	\$ -	\$ -	\$ -	\$ 49,548
Loss allowance (Lifetime)										
ECLs	(23)	(15)	(70)	-	(129)	-	-	-	-	(237)
Amortized cost	<u>\$ 34,206</u>	<u>\$ 12,615</u>	<u>\$ 2,295</u>	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,311</u>

The movements of the loss allowance of accounts receivable were as follows:

	Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 252	\$ 408
Less: Amounts written off	434	(163)
Less: Net remeasurement of loss allowance	(2)	(8)
Ending balance	<u>684</u>	<u>237</u>

Refer to Note 28(IV) for details of the Group's concentration of credit risk of accounts receivable.

2. Other receivables

Other receivables are mainly interest receivables. the Group's policy is to trade solely by reputable company. The Group determines whether credit risk has increased significantly since initial recognition and measures the loss allowance for other receivables by continuous monitoring of the debtor, with reference to the past default experience of the debtor and an analysis of the debtor's current financial position.

As of September 30, 2024 and 2023, the Group assessed that the expected credit loss rate of other receivables was 0%.

(XI) Inventory

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 91,791	\$ 71,187	\$ 75,937
Work in process	63,433	58,478	33,996
Finished goods	4,237	6,997	5,037
Materials	<u>3,885</u>	<u>3,946</u>	<u>3,939</u>
	<u>\$ 163,346</u>	<u>\$ 140,608</u>	<u>\$ 118,909</u>

The nature of operating costs related to inventories is as follows:

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Cost of inventories sold	\$ 133,595	\$ 89,335	\$ 394,952	\$ 342,095
Inventory depreciation (recovery benefit) loss	545	176	378	(1,550)
Unallocated manufacturing overhead	10,350	12,691	28,789	30,046
Revenue from sale of leftovers and scrap	(<u>175</u>)	(<u>327</u>)	(<u>553</u>)	(<u>1,298</u>)
	<u>\$ 144,315</u>	<u>\$ 101,875</u>	<u>\$ 423,566</u>	<u>\$ 369,293</u>

The increase in the net realizable value of inventories as of September 30, 2024 and 2023 was mainly due to the increase in inventory sales prices.

(XII) Other assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Payment in advance	\$ 11,286	\$ 5,243	\$ 13,786
Prepaid expense	11,151	6,051	8,380
Tax credit	893	1,810	79
Provisional payment	1,330	399	2,144
Retained tax credit	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,660</u>	<u>\$ 13,503</u>	<u>\$ 24,389</u>
<u>Non-current</u>			
Long-term Prepayments	<u>\$ 22,081</u>	<u>\$ 10,225</u>	<u>\$ 10,225</u>

(XIII) Subsidiaries

Subsidiaries included in the consolidated financial statements

The main preparation for this consolidated financial statement is as follows:

Investor	Investee	Nature of Activities	Shareholding %		
			September 30, 2024	December 31, 2023	June 30, 2023
Evertex Fabrinology Limited	Tung Fa Liu Neng Co., Ltd.	Self-usage power generation equipment utilizing renewable energy industry	100%	100%	100%

(XIV) Property, Plant and Equipment

	Self-owned Land	Buildings	Machinery Equipment	Machinery Equipment	Other Equipment	Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 174,044	\$ 342,470	\$ 510,603	\$ 6,621	\$ 230,980	\$ 1,264,718
Additions	-	856	13,792	-	671	15,319
Disposals	-	-	(3,348)	-	(100)	(3,448)
Reclassification (Remark)	-	-	1,451	-	-	1,451
Balance on September 30, 2024	<u>\$ 174,044</u>	<u>\$ 343,326</u>	<u>\$ 522,498</u>	<u>\$ 6,621</u>	<u>\$ 231,551</u>	<u>\$ 1,278,040</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2024	\$ -	\$ 305,609	\$ 375,045	\$ 6,041	\$ 172,011	\$ 858,706
Depreciation expense	-	3,861	22,511	292	8,056	34,720
Disposals	-	-	(3,348)	-	(100)	(3,448)
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ 309,470</u>	<u>\$ 394,208</u>	<u>\$ 6,333</u>	<u>\$ 179,967</u>	<u>\$ 889,978</u>
Net balance on September 30, 2024	<u>\$ 174,044</u>	<u>\$ 33,856</u>	<u>\$ 128,290</u>	<u>\$ 288</u>	<u>\$ 51,584</u>	<u>\$ 388,062</u>
<u>Cost</u>						
Balance on January 1, 2023	\$ 174,044	\$ 342,240	\$ 506,253	\$ 7,674	\$ 199,894	\$ 1,230,105
Additions	-	-	10,890	48	7,984	18,922
Disposals	-	-	(9,710)	(60)	(382)	(10,152)
Reclassification (Remark)	-	-	900	-	22,262	23,162
Balance on September 30, 2023	<u>\$ 174,044</u>	<u>\$ 342,240</u>	<u>\$ 508,333</u>	<u>\$ 7,662</u>	<u>\$ 229,758</u>	<u>\$ 1,262,037</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2023	\$ -	\$ 298,897	\$ 361,894	\$ 6,577	\$ 162,406	\$ 829,774
Depreciation expense	-	5,301	22,085	437	7,251	35,074
Disposals	-	-	(9,710)	(60)	(382)	(10,152)
Balance on September 30, 2023	<u>\$ -</u>	<u>\$ 304,198</u>	<u>\$ 374,269</u>	<u>\$ 6,954</u>	<u>\$ 169,275</u>	<u>\$ 854,696</u>
Net balance on September 30, 2023	<u>\$ 174,044</u>	<u>\$ 38,042</u>	<u>\$ 134,064</u>	<u>\$ 708</u>	<u>\$ 60,483</u>	<u>\$ 407,341</u>

Remark : The balance is transferred from the prepaid equipment payment.

The Group did not capitalize interest from January 1 to September 30 in 2024 and 2023.

There is no an indication that the property, plant and equipment may be impaired from January 1 to September 30 in 2024 and 2023.

The immovable property, plant and equipment of the Group are determined on the basis of cost and depreciated on the basis of the following durable years:

Buildings	
Main Building of Factory	26~40 years
Storehouse	10~26 years
Others	3~25 years
Machinery Equipment	5~13 years
Transportation Equipment	3~5 years
Other Equipment	
Office Equipment	3~15 years
Land Improvement	10~15 years
Dormitory Equipment	15~40 years
Other Equipment	3~15 years

Please refer to Note 30 for the amount of real estate and factory buildings set by the consolidated company as a guarantee for the loan amount.

(XV) Lease Arrangement

1. Right-of-use Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Right-of-use assets			
Carrying amount			
Buildings	\$ 2,164	\$ 2,564	\$ 2,685
Transportation Equipment	3,862	5,466	5,979
Other Equipment	<u>1,664</u>	<u>2,360</u>	<u>2,530</u>
	<u>\$ 7,690</u>	<u>\$ 10,390</u>	<u>\$ 5,336</u>
Additions to right-of-use assets			
Depreciation charge for right-of-use assets			
Buildings	\$ 127	\$ 127	\$ 387
Transportation Equipment	527	350	1,580
Other Equipment	<u>395</u>	<u>438</u>	<u>1,313</u>
	<u>\$ 1,049</u>	<u>\$ 915</u>	<u>\$ 2,569</u>

2. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities Carrying amount			
Current	<u>\$ 3,707</u>	<u>\$ 3,992</u>	<u>\$ 3,977</u>
Non-current	<u>\$ 4,082</u>	<u>\$ 6,459</u>	<u>\$ 7,151</u>

Discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	2.1%	2.1%	2.1%
Transportation Equipment	2.19%	2.19%	2.19%
Other Equipment	1.15%~2.33%	1.15%~2.19%	1.15%~2.19%

3. Material leasing activities and terms

The Group leases certain official cars and other equipment - stackers with lease terms of 1 to 3 years. The Group does not have bargain purchase options to acquire the cars and stackers at the end of the lease terms.

The Group leases buildings for the use of offices with lease term of 3~5 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease term.

4. Other lease information

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Expenses relating to low-value asset leases	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 193</u>	<u>\$ 203</u>
Total cash outflow for leases			<u>(\$ 3,442)</u>	<u>(\$ 2,841)</u>

The Group's leases of certain photocopiers 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.

(XVI) Intangible Assets

	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	<u>\$ 55</u>	<u>\$ 109</u>	<u>\$ 127</u>

Except for the recognition of amortization expenses, there were no significant additions, disposals or impairments to the intangible assets of the combined company from January 1 to September 30 in 2024 and 2023.

Computer software is amortized on a straight-line basis on 1~3 years.

(XVII) Short-term Loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured Loan</u>			
Line of Credit Borrowing	<u>\$ 30,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>
Interest rate	2.39%	2.195%	2.19%

(XVIII) Notes Payable and Accounts Payable

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes Payable</u>			
Notes Payable-From Business	<u>\$ 8,502</u>	<u>\$ 8,133</u>	<u>\$ 14,065</u>
Related Parties-From Business	<u>\$ 697</u>	<u>\$ 1,212</u>	<u>\$ 713</u>
<u>Accounts Payable</u>			
Notes Payable-From Business	<u>\$ 31,695</u>	<u>\$ 19,616</u>	<u>\$ 10,841</u>
Related Parties-From Business	<u>\$ 680</u>	<u>\$ 593</u>	<u>\$ 659</u>

The average credit period for purchases was 90 days. The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

(XIX) Other Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Payables for salaries or bonuses	33,657	33,325	28,180

Payables for vacations	8,445	7,911	7,765
Payables for purchases of equipment (Note26)	8,902	6,523	498
Utilities Payables	3,177	2,052	2,546
Payables for labor and health insurance	2,313	2,285	2,309
Others	12,840	11,026	13,327
	<u>\$ 69,334</u>	<u>\$ 63,122</u>	<u>\$ 54,625</u>

(XX) Other Current Liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Receipts under custody	\$ 498	\$ 548	\$ 610
Refund Liabilities	<u>368</u>	<u>229</u>	<u>228</u>
	<u>\$ 866</u>	<u>\$ 777</u>	<u>\$ 838</u>

(XXI) Post-retirement Benefits Plan

July 1 to September 30, 2024 and 2023 and January 1 to September 30, 2024 and 2023. The pension benefits related to the defined benefit plan recognized on December 31 were calculated based on the pension cost rates determined by the actuarial calculation on December 31, 2023 and 2022, and the amounts were 10,000 yuan, 13,000 yuan, 32,000 yuan and 38,000 yuan respectively.

(XXII) Equity

1. Common stock

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized Shares (thousand shares)	<u>101,880</u>	<u>101,880</u>	<u>101,880</u>
Authorized Equity	<u>\$1,018,800</u>	<u>\$1,018,800</u>	<u>\$1,018,800</u>
Shares Issued and Fully Received (thousand shares)	<u>85,767</u>	<u>85,767</u>	<u>85,767</u>
Equity Issued	<u>\$ 857,670</u>	<u>\$ 857,670</u>	<u>\$ 857,670</u>

The issued common shares have a par value of NT\$ 10 each and each share has the right to vote and receive dividends.

2. Capital Reserves

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital</u>			
Share Premium	\$ 3,000	\$ 3,000	\$ 3,000
<u>Only used to make up for losses</u>			
Gain from disposal of assets	3,918	3,918	3,918
Benefits from exercise Disgorgement	399	399	399
	<u>\$ 7,317</u>	<u>\$ 7,317</u>	<u>\$ 7,317</u>

The capital reserve can be used to make up for losses. The excess of shares issued in excess of par value may also be used to issue cash or allocate share capital when there is no loss in the group, subject to a certain percentage of paid-in share capital each year.

The capital reserve arising from the gains from the disposal of assets and benefits from exercise Disgorgement shall not be used for any purpose other than making up for losses.

3. Retention of surplus and dividend policy

The Company's Articles of Incorporation provide that, earnings distribution may be made on a quarterly basis after the close of each half year. Distribution of earnings by way of cash dividends should be approved by the Company's Board of Directors and reported to the Company's shareholders in its meeting.

According to the surplus distribution policy of the Company, The Company may distribute earnings or make up losses after the end of each semi-annual fiscal year. If the distribution of earnings is made in cash, it shall be resolved by the board of directors in accordance with Article 228-1 and Article 240 of the Company Act and reported to the shareholders' meeting without being submitted to the shareholders' meeting for ratification. If the distribution of earnings is made by issuing new shares, it shall be handled in accordance with Article 240 of the Company Act.

The Company's dividend policy is based on the current and future investment environment, capital requirements, and capital budget, while considering the shareholders' interest, dividend balance, and the Company's long-term financial planning as the Company is in the business development stage. The Company shall distribute dividends and bonuses to shareholders not less than annual earnings after deducting income tax, making up for loss, setting aside legal reserve, but legal reserve has reached the amount of paid-in capital, it may no longer be set. The rest will be set or reversed 50% special reserve shall distribute dividends and bonuses according to the regulations. The annual dividends shall be paid in cash first, but stock dividends may also be distributed, of which no less than 10% of the total dividends shall be paid in cash.

The estimated basis and actual allotment of the remuneration of the employees and directors of the company can be found in Note 23 (8).

The statutory surplus reserve shall be set aside until its balance reaches the total paid-in share capital of the company. The statutory surplus reserve can be used to make up for losses. When there is no loss in the company, the part of the statutory surplus reserve exceeding 25% of the total paid-in share capital may be allocated in cash in addition to the allocated share capital.

When the company distributes its surplus, it must set aside the balance of equity deduction items (including unrealized losses on financial assets) as a special surplus reserve according to laws and regulations. If there is a subsequent reduction in the amount of equity deduction, the reduced amount can be transferred back to the undistributed surplus from the special surplus reserve.

The appropriations and cash dividends per share in 2023 and 2022 were as follows:

	2023	2022
Legal reserve provided	<u>\$ 4,922</u>	<u>\$ 3,513</u>

Reversr special reserve provided	(\$ 1,713)	(\$ 121)
Cash dividends to shareholders	\$ 46,745	\$ 38,595
Cash dividends per share (NT\$)	\$ 0.58	\$ 0.45

The above-mentioned cash dividends were approved on March 8, 2024 and March 24, 2023 respectively. The remaining surplus distribution items for 2023 and 2022 have been resolved at the general meeting of shareholders on June 27, 2023 and June 25, 2024.

4. Other Equity

Unrealized gain and loss on financial assets at FVTOCI

	Nine Months Ended September 30	
	2024	2023
Balance on January 1	(\$ 1,650)	(\$ 3,364)
Recognized for the year		
Unrealized gain and loss		
Equity instruments	1,581	1,604
Accumulated gains and losses from disposal of equity instruments are transferred to retained earnings	1,408	-
Balance on September 30	<u>\$ 1,339</u>	<u>(\$ 1,760)</u>

(XXIII) Net Income

1. Operating revenue

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Segmentation of <u>Customer</u> Sales Revenue				
– Cloth trading	\$ 156,263	\$ 111,201	\$ 471,344	\$ 405,654
– Other	3,833	3,844	8,875	9,204
Service Revenue				
– Dyeing & Finishing	36,454	30,507	93,237	112,164
	<u>\$ 196,550</u>	<u>\$ 145,552</u>	<u>\$ 573,456</u>	<u>\$ 527,022</u>

Contract balance

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
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Notes Payable And Account Payable(Note 10))	<u>\$ 70,719</u>	<u>\$ 54,429</u>	<u>\$ 55,245</u>	<u>\$ 68,802</u>
Contract liabilities Revenue of Commodity Sales	<u>\$ 11,182</u>	<u>\$ 8,497</u>	<u>\$ 5,839</u>	<u>\$ 8,673</u>
2. Other Revenues and Losses				
	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Disposal of property plant and equipment	<u>\$ -</u>	<u>\$ 377</u>	<u>\$ 100</u>	<u>\$ 377</u>
3. Interest incime				
	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Deposit interest income	\$ 2,168	\$ 236	\$ 4,925	\$ 1,149
Financial assets measured at cost after amortization	<u>1,468</u> <u>\$ 3,636</u>	<u>1,324</u> <u>\$ 1,560</u>	<u>4,368</u> <u>\$ 9,293</u>	<u>2,704</u> <u>\$ 3,853</u>
4. Other Revenue				
	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Dividend revenue Fair through profit and loss				
Financial assets as a measure of value	\$ 394	\$ 1,081	\$ 394	\$ 2,341
Non-current financial assets at fair value through other comprehensive income	242	686	242	686
Other revenue Subsidy income Others	<u>164</u> <u>45</u> <u>\$ 845</u>	<u>241</u> <u>185</u> <u>\$ 2,193</u>	<u>1,436</u> <u>209</u> <u>\$ 2,281</u>	<u>1,255</u> <u>356</u> <u>\$ 4,638</u>

5. Other profits and losses

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Net gain (loss) on foreign currency exchange	(\$ 9,245)	\$ 5,218	\$ 5,211	\$ 8,328
Lease modification benefit		-	3	-
Net gain on financial instruments at fair value through profit or loss mandatorily	(2,483)	(5,406)	2,393	7,971
Others	(122)	(9)	(136)	(34)
	<u>(\$ 11,850)</u>	<u>(\$ 197)</u>	<u>\$ 7,471</u>	<u>\$ 16,265</u>

6. Financial Costs

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Bank Loan Interest	\$ 189	\$ 191	\$ 582	\$ 553
Interest of Lease Liabilities	44	49	144	80
	<u>\$ 233</u>	<u>\$ 240</u>	<u>\$ 726</u>	<u>\$ 633</u>

7. Depreciation and amortization expenses

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Property, plant and equipment	\$ 11,753	\$ 11,625	\$ 34,720	\$ 35,074
Right-of-use assets	10,49	915	3,146	2,569
Total	<u>\$ 12,802</u>	<u>\$ 12,540</u>	<u>\$ 37,866</u>	<u>\$ 37,643</u>
Intangible Assets	\$ 18	\$ 17	\$ 54	\$ 77
Depreciation expenses are summarized by function				
Operating Costs	\$ 11,998	\$ 11,795	\$ 35,442	\$ 35,287
Operating Expenses	804	745	2,424	2,356
Total	<u>\$ 12,802</u>	<u>\$ 12,540</u>	<u>\$ 37,866</u>	<u>\$ 37,643</u>

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Depreciation expenses are summarized by function				
Operating Expenses	\$ -	\$ -	\$ -	\$ -
Management Expense	<u>18</u>	<u>17</u>	<u>54</u>	<u>77</u>
Total	<u>\$ 18</u>	<u>\$ 17</u>	<u>\$ 54</u>	<u>\$ 77</u>

8. Employees' Benefit Expenses

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Retirement Benefits				
Determined Allocation Plan	\$ 1,317	\$ 1,355	\$ 3,973	\$ 4,067
Determined Benefit (Note21)	(<u>10</u>) 1,307	(<u>13</u>) 1,342	(<u>32</u>) 3,941	(<u>38</u>) 4,029
Other Employee Benefits	<u>46,820</u>	<u>39,586</u>	<u>140,611</u>	<u>124,354</u>
Total Employees' Benefit Expense	<u>\$ 48,127</u>	<u>\$ 40,928</u>	<u>\$ 144,552</u>	<u>\$ 128,383</u>
Summary by Function				
Operating Costs	\$ 30,594	\$ 26,235	\$ 92,592	\$ 81,172
Operating Expenses	<u>17,533</u>	<u>14,693</u>	<u>51,960</u>	<u>47,211</u>
	<u>\$ 48,127</u>	<u>\$ 40,928</u>	<u>\$ 144,552</u>	<u>\$ 128,383</u>

9. Employee Remuneration and Director Remuneration

The company allocates employee remuneration and director remuneration at the pre-tax benefit of 3% and not more than 3% respectively before deducting the distribution of employee and director remuneration in the current year. The Company's profit sharing bonus to employees and compensation to directors for 2024, 2023 had been approved by the Board of Directors of the Company in March 8,2024 and March 24,2023, as illustrated below:

Estimation Ratio

	<u>Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Employee remuneration	3%	3%
Director Remuneration	3%	3%

The amount

	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Employee remuneration	<u>\$ 453</u>	<u>\$ 233</u>	<u>\$ 2,552</u>	<u>\$ 1,833</u>
Director Remuneration	<u>\$ 453</u>	<u>\$ 233</u>	<u>\$ 2,552</u>	<u>\$ 1,833</u>

If there is any change in the amount after the release of the annual consolidated financial report, it shall be dealt with according to the change in accounting estimates and adjusted to be recorded in the following year.

The employee remuneration and director remuneration in 2023 and 2022 were resolved by the board of directors on March 8, 2024 and March 24, 2023 respectively as follows:

	<u>Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>
	<u>Amount</u>	<u>Amount</u>
Employee remuneration	\$ 1,791	\$ 1,565
Director Remuneration	1,791	1,565

There is no difference between the amount of employee remuneration and director remuneration decided to allot in 2023 and 2022 and the amount recognized in the financial reports of 2023 and 2022.

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

10. Net loss on foreign currency exchange

	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Foreign currency exchange gains	\$ 2,387	\$ 5,599	\$ 21,327	\$ 9,473

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Foreign currency exchange losses	(<u>11,632</u>)	(<u>381</u>)	(<u>16,116</u>)	(<u>1,145</u>)
Net gain (loss)	<u>\$ 9,245</u>	<u>\$ 5,218</u>	<u>\$ 5,211</u>	<u>\$ 8,328</u>

(XXIV) Income Tax

1. The main components of income tax expenses (benefits) recognized as profit and loss

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Current Income Tax Arising in the Current Year	\$ 4,959	\$ 2,158	\$ 14,865	\$ 8,418
Adjustments from previous years	-	-	(556)	(409)
Deffered Income Tax Arising in the Current Year	(<u>1,639</u>)	<u>124</u>	<u>725</u>	<u>1,059</u>
Recognized in the Profit or Loss	<u>\$ 3,320</u>	<u>\$ 2,282</u>	<u>\$ 15,034</u>	<u>\$ 9,068</u>

2. Income tax assessment situation

The company's profit-seeking enterprise income tax returns have been approved by the tax collection authority for the declaration cases before 2022. There is no significant difference between the approved number and the declared number.

The profit-seeking enterprise income tax returns of the subsidiary Tung Fa Liu Neng Co., Ltd. have been approved by the tax collection authority for the declaration cases before 2022, and there is no significant difference between the approved numbers and the declared numbers.

(XXV) Earnings Per Share

Net profit and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net Income

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Net profit attributable to owners of the company	<u>\$ 11,315</u>	<u>\$ 5,488</u>	<u>\$ 65,817</u>	<u>\$ 49,303</u>

Shares

	Unit: Thousand shares			
	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
The weighted average number of ordinary shares used in the calculation of basic earnings (net loss) per share	85,767	85,767	85,767	85,767
Impacts of potential ordinary shares with dilution effect:				
Employees' compensation	<u>115</u>	<u>4</u>	<u>137</u>	<u>124</u>
The weighted average number of ordinary shares used in the calculation of diluted earnings (net loss) per share	<u>85,882</u>	<u>85,771</u>	<u>85,904</u>	<u>85,891</u>

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

(XXVI) Cash Flow Information

1. Non-cash transactions

For January 1 to September 30, 2024 and 2023, the Group entered into the following non-cash investing and financing activities:

As of September 30, 2024 and December 31, 2023 and September 30, 2023 the Group didn't paid acquisition of property ,plant, equipment of NT\$8,902 thousand, NT\$6,523 and NT\$498 thousand, list in payables to suppliers of machinery and equipment (Note 19).

2. Changes in liabilities arising from financing activities

January 1 to September 30, 2024

	Balance on January 1,2024	Cash Flows	Non-cash Changes				Balance on September 30,2024
			New Leases	Lease Modificatio n	Amortization of Interest Expenses	Others	
Short Term Loan	\$ 35,000	(\$ 5,000)	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Lease Liabilitie	<u>10,451</u>	<u>(3,105)</u>	<u>696</u>	<u>(253)</u>	<u>144</u>	<u>(144)</u>	<u>7,789</u>
	<u>\$ 45,451</u>	<u>(\$ 8,105)</u>	<u>\$ 696</u>	<u>(\$ 253)</u>	<u>\$ 144</u>	<u>(\$ 144)</u>	<u>\$ 37,789</u>

January 1 to September 30, 2023

	Balance on January 1,2024	Cash Flows	Non-cash Changes				Balance on September 30,2024
			New Leases	Amortization of Interest Expenses	Others		
Short Term Loan	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Lease Liabilitie	<u>3,542</u>	<u>(1,660)</u>	<u>3,477</u>	<u>31</u>	<u>(31)</u>		<u>5,359</u>
	<u>\$ 38,542</u>	<u>(\$ 1,660)</u>	<u>\$ 3,477</u>	<u>\$ 31</u>	<u>(\$ 31)</u>		<u>\$ 40,359</u>

(XXVII) Capital Risk 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 shareholders through the optimization of the debt and equity balance. The overall strategy of the Group has not changed.

The Group has no other restrictions on external capital regulations.

(XXVIII) Financial Instruments

1. Fair value information - financial instruments not measured at fair value

Except as stated below, management of the Merged Company believes that the carrying amounts of financial instruments that are not measured at fair value approximate their fair values.

September 30,2024

	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial Assets</u>					
Financial Assets measured by amortized cost					
-U.S. government debt	\$ 7,117	\$ -	\$ 7,017	\$ -	\$ 7,017
-Corporate bonds	84,044	-	84,187	-	84,187
Total	<u>\$ 91,161</u>	<u>\$ -</u>	<u>\$ 91,204</u>	<u>\$ -</u>	<u>\$ 91,204</u>

December 31,2023

	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial Assets</u>					
Financial Assets measured by amortized cost					
-U.S. government debt	\$ 10,307	\$ -	\$ 10,046	\$ -	\$ 10,046
-Corporate bonds	44,063	-	43,656	-	43,656
Total	<u>\$ 54,370</u>	<u>\$ -</u>	<u>\$ 53,702</u>	<u>\$ -</u>	<u>\$ 53,702</u>

September 30,2023

	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial Assets</u>					
Financial Assets measured by amortized cost					
-U.S. government debt	\$ 10,808	\$ -	\$ 10,107	\$ -	\$ 10,107
-Corporate bonds	37,385	-	33,649	-	33,649
Total	<u>\$ 48,193</u>	<u>\$ -</u>	<u>\$ 43,756</u>	<u>\$ -</u>	<u>\$ 43,756</u>

The above-mentioned Level 2 fair value measurement is based on the quotation provided by the counterparty for evaluation.

2. Fair value information - Financial instruments measured at fair value on a recurring basis

(1) Fair value hierarchy

September 30,2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed stocks	\$ 21,085	\$ -	\$ -	\$ 21,085
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
– Foreign unlisted stocks	\$ -	\$ -	\$ 6,289	\$ 6,289

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed stocks	\$ 57,165	\$ -	\$ -	\$ 57,165
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
– Domestic listed stocks	\$ 10,286	\$ -	\$ -	\$ 10,286
– Foreign unlisted stocks	-	-	4,592	4,592
Total	\$ 10,286	\$ -	\$ 4,592	\$ 14,878

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed stocks	\$ 51,409	\$ -	\$ -	\$ 51,409
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
– Domestic listed stocks	\$ 10,075	\$ -	\$ -	\$ 10,075
– Foreign unlisted stocks	-	-	4,693	4,693
Total	\$ -	\$ -	\$ 4,693	\$ 4,693

There were no transfers between Levels 1 and 2 in January 1 to September 30, 2024 and 2023.

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

January 1 to September 30, 2024

Financial Assets	Financial Assets at FVTOCI Equity instruments
Balance on January 1	\$ 4,592
Recognized in other comprehensive income (included in unrealized gain of financial assets at FVTOCI)	1,697
Balance on September 30	<u>\$ 6,289</u>

January 1 to September 30, 2023

<u>Financial Assets</u>	<u>Financial Assets at FVTOCI Equity instruments</u>
Balance on January 1	\$ 3,405
Recognized in other comprehensive income (included in unrealized gain of financial assets at FVTOCI)	<u>1,288</u>
Balance on September 30	<u>\$ 4,693</u>

- (3) Valuation techniques and assumptions used in Level 3 fair value measurement.

The fair values of overseas unlisted corporate equity investments are estimated using the market approach with reference to the net value stated in the most recent financial statements of the investee company and based on the evaluation of similar companies and the operations of the investee company.

3. Categories of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Mandatorily measured at FVTPL	\$ 21,085	\$ 57,165	\$ 51,409
Financial assets measured at amortized Cost (Note 1)	531,910	481,899	484,471
<u>Financial assets at FVTOCI</u>			
Equity instruments	6,289	14,878	14,768
<u>Financial Liabilities</u>			
Financial liabilities measured by amortized cost (Note 2)	93,478	81,843	74,681

Note1 : The balance includes financial assets measured at amortized cost, such as Cash and Cash Equivalents, Financial Assets Measured at Amortized Cost, Notes Receivable and Accounts Receivable, Other Receivables and Refundable Deposits.

Note2 : The balance includes financial liabilities measured at amortized cost such as, notes payable (Include Related Party), accounts payable(Include Related Party), other payables and other

financial Liabilities - restricted (recognized as other current and non-current Liabilities).

4. Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, financial assets measured at FVTOCI, accounts receivable, accounts payable, and lease liabilities etc. The Group's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk and other price rate), 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, interest rates and other price changed risk.

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

a. Foreign currency risk

For the carrying amounts of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date , refer to Note 33.

Sensitivity analysis

The Group is mainly influenced by the USD & EUR exchange rate fluctuation.

The following table details the Group's sensitivity to a 10% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency (U.S. dollar). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably

possible change in foreign exchange rates. The sensitivity analysis included foreign cash, foreign currency deposit in bank, and receivable and payable in foreign currencies. The positive numbers in the following table represent the amount of increase in net profit before tax when functional currency depreciates 10% relative to the relevant currencies; when functional currency appreciates 10% relative to the relevant currencies, its impact on the net profit before tax will be the same negative number of the amount.

	Influence of USD		Influence of EUR	
	Nine Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Profit or loss	<u>\$ 24,081</u>	<u>\$ 11,060</u>	<u>\$ 555</u>	<u>\$ 1,108</u>

The sensitivity of the group to the USD increased during the current period, mainly due to the increase in net assets denominated in USD during the current period.

The sensitivity of the Group to the EUR decreased during the current period, mainly due to the decrease in deposit in Euros during the current period.

b. Interest rate risk

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

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
— Financial Assets	\$ 369,176	\$ 300,497	\$ 297,117
— Financial Liabilities	7,789	10,451	11,128
Cash flow interest rate risk			
— Financial Assets	69,634	114,104	113,449
— Financial Liabilities	30,000	35,000	35,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 50 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 the interest rate increases/decreases by 50 basis points and all other variables remain unchanged, the Group's net income before tax in 2024 and 2023 will increase/decrease by NT\$ 149 thousand and NT\$ 294 thousand, mainly due to the Group's exposure to demand deposit interest rate and short-term loan interest rate risk.

The Group's interest rate sensitivity decreased during the period, which was mainly due to a decrease in bank deposits with variable interest rates.

c. Other Price Risk

The group's equity price exposure is caused by the investment of equity securities. The management of the group manages risks by holding different risk portfolios. The equity investment is strategical, not held for trading. Additionally, the group supervises periodical and evaluates price risk.

Sensitivity Analysis

The following sensitivity analysis is based on equity price exposure on the balance sheet date.

If equity prices rise/fall 10%, pre-tax profit or loss on January 1 to September 30 in 2024 and 2023 will increase/decrease by NT\$2,109 thousand and NT\$ 5,141 thousand due to the rise/fall in the fair value of financial assets measured by fair value through profit or loss. Other

comprehensive profit and loss before tax on January 1 to September 30 in 2024 and 2023 will increase/decrease by NT\$629 thousand and NT\$1,477 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income or loss.

The sensitivity of the group to the Financial assets at FVTPL decreased during the current period, mainly due to the decrease investment of equity securities during the current period.

(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 of the end of the reporting period, the group's maximum exposure to credit risk, which will cause a financial loss to the group due to the failure of the counterparty to discharge its obligation, is primarily equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continually monitored.

The Group's concentration of credit risk of 68%, 72% and 66% in total trade receivables as of September 30, 2024, December 31, 2023 and September 30, 2022, respectively, was related to customers who exceed 5% of the total receivables.

(3) Liquidity risk

The group maintains sufficient bank deposit and financing amount, supervises expected and actual cash flow continuously. The maturities of financial assets and liabilities are matched to achieve the purpose of managing liquidity risk.

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

The remaining contract maturity analysis of non-derivative financial liabilities is based on the earliest possible repayment date of the Group and is compiled based on the undiscounted cash flows of financial liabilities.

September 30, 2024

	<u>On Demand or Less than 1 Month</u>	<u>1 Month - 3 Months</u>	<u>Over 3 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 12,866	\$ 50,589	\$ 23	\$ -
Short-term liabilities	30,000	-	-	-
Lease liabilities	<u>361</u>	<u>722</u>	<u>2,752</u>	<u>4,168</u>
	<u>\$ 43,227</u>	<u>\$ 51,311</u>	<u>\$ 2,775</u>	<u>\$ 4,168</u>

December 31, 2023

	<u>On Demand or Less than 1 Month</u>	<u>1 Month - 3 Months</u>	<u>Over 3 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 10,526	\$ 36,107	\$ 210	\$ -
Short-term liabilities	35,000	-	-	-
Lease liabilities	<u>353</u>	<u>705</u>	<u>3,113</u>	<u>6,623</u>
	<u>\$ 45,879</u>	<u>\$ 36,812</u>	<u>\$ 3,323</u>	<u>\$ 6,623</u>

September 30, 2023

	<u>On Demand or Less than 1 Month</u>	<u>1 Month - 3 Months</u>	<u>Over 3 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 12,672	\$ 26,889	\$ 120	\$ -
Short-term liabilities	35,000	-	-	-
Lease liabilities	<u>386</u>	<u>751</u>	<u>3,041</u>	<u>-</u>
	<u>\$ 48,058</u>	<u>\$ 27,640</u>	<u>\$ 3,161</u>	<u>\$ -</u>

	<u>On Demand or Less than 1 Month</u>	<u>1 Month - 3 Months</u>	<u>Over 3 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 years</u>
<u>Non-derivative</u>					

<u>financial liabilities</u>					
Non-interest bearing liabilities					
Short-term liabilities	\$ 12,672	\$ 26,889	\$ 120	\$ -	\$ -
Lease liabilities	35,000	-	-	-	-
Non-interest bearing liabilities	<u>386</u>	<u>751</u>	<u>3,041</u>	<u>7,210</u>	<u>135</u>
	<u>\$ 48,058</u>	<u>\$ 27,640</u>	<u>\$ 3,161</u>	<u>\$ 7,210</u>	<u>\$ 135</u>

b. Financing facilities

	September 30,2024	December 31,2023	September 30,2023
Unsecured bank overdraft facilities			
– Amount used	\$ 30,000	\$ 35,000	\$ 35,000
– Amount unused	<u>115,000</u>	<u>110,000</u>	<u>110,000</u>
	<u>\$ 145,000</u>	<u>\$ 145,000</u>	<u>\$ 145,000</u>

(XXIX) Related Party Transaction

Transactions, account balances, profits and losses between the parent company and the subsidiary (related parties of the parent company) are written off at the time of the merger and are not disclosed in this note. The transactions between the merged company and other related parties are as follows:

1. The Company's related parties

<u>Name of Related Party</u>	<u>Relationship with the merged company</u>
Lan Fa Textile Co., Ltd.	Other related parties Other related parties (the chairman of the company are two Relatives within the same degree of kinship)
Chung-Fa Investment Co., Ltd. Anthony Poliang Yeh	Major Management Other related parties (the chairman of the company are two Relatives within the same degree of kinship)
Chih-Ming Yeh	

2. Purchases

<u>Related Party</u>	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Lan Fa Textile Co., Ltd.	<u>\$ 2,280</u>	<u>\$ 1,907</u>	<u>\$ 8,168</u>	<u>\$ 3,585</u>

The trading conditions for the group to purchase goods from related parties are equivalent to those of general manufacturers.

3. Lease Agreement

<u>Account Item</u>	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Right-of-use Assets Anthony Poliang Yeh/ Chih-Ming Yeh	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,886</u>

<u>Account Item</u>	<u>Related Party Name</u>	<u>September 30,2024</u>	<u>December 31,2023</u>	<u>September 30,2023</u>
Lease Liability	Anthony Poliang Yeh/ Chih-Ming Yeh	<u>\$ 2,196</u>	<u>\$ 2,564</u>	<u>\$ 2,685</u>

<u>Account Item</u>	<u>Related Party Name</u>	<u>From July 1,2024 Until September 30</u>	<u>From July 1,2023 Until September 30</u>	<u>From January 1,2024 Until September 30</u>	<u>From January 1,2023 Until September 30</u>
Interest Expense	Anthony Poliang Yeh/ Chih-Ming Yeh	<u>\$ 12</u>	<u>\$ 15</u>	<u>\$ 37</u>	<u>\$ 25</u>

The rental expenses of the group are leased offices from major management, the terms of the transaction are negotiated by both parties, rent is paid monthly.

4. Related Party Payable

<u>Account Item</u>	<u>Related Party Name/Categorie s</u>	<u>September 30 ,2024</u>	<u>December 31,2023</u>	<u>September 30 ,2023</u>
Notes Payable	Lan Fa Textile Co., Ltd.	<u>\$ 697</u>	<u>\$ 1,212</u>	<u>\$ 713</u>
Account Payable	Lan Fa Textile Co., Ltd.	<u>\$ 680</u>	<u>\$ 593</u>	<u>\$ 659</u>

The balance of the outstanding accounts payable to related parties is not guaranteed.

5. Remuneration of key management persone

	From July 1,2024 Until September 30	From July 1,2023 Until September 30	From January 1,2024 Until September 30	From January 1,2023 Until September 30
Short-term employee benefits	\$ 3,593	\$ 2,328	\$ 11,234	\$ 7,734
Post-employment benefits	<u>138</u>	<u>102</u>	<u>411</u>	<u>299</u>
	<u>\$ 3,731</u>	<u>\$ 2,430</u>	<u>\$ 11,645</u>	<u>\$ 8,033</u>

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

(XXX) Mortgaged Assets

The following assets of the group have been passed financing quota as collaterals, and guarantee deposits of purchasing goods from manufacturers.

	September 30 ,2024	December 31,2023	September 30 ,2023
Restricted assets	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>
Land	\$ 17,700	\$ 17,700	\$ 17,700
Buildings	<u>521</u>	<u>882</u>	<u>1,003</u>
	<u>\$ 18,221</u>	<u>\$ 18,582</u>	<u>\$ 18,703</u>

(XXXI) Significant or Indebted and Unrecognized Contractual commitments

In addition to those stated in other notes, the group has the following significant commitments at the balance sheet date:

	September 30 ,2024	December 31,2023	September 30 ,2023
Commitments for equipment purchasing and project contracts	<u>\$ 19,734</u>	<u>\$ 27,098</u>	<u>\$ 29,710</u>

(XXXII) Material Subsequent Events : None.

(XXXIII) Assets And Liabilities Denominated In Foreign Currencies

The group's assets and liabilities denominated in foreign currencies were as follows:

September 30,2024

	<u>Foreign Currency (Thousand)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 7,618	31.65 (USD : TWD)	\$ 241,103
EUR	157	35.38 (EUR : TWD)	5,552
<u>Non-monetary items</u>			
USD	3,079	31.65 (USD : TWD)	97,450
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	9	31.65 (USD : TWD)	291

December 31,2023

	<u>Foreign Currency (Thousand)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 5,034	30.71 (USD : TWD)	\$ 154,566
EUR	270	33.98 (EUR : TWD)	9,178
<u>Non-monetary items</u>			
USD	1,920	30.71 (USD : TWD)	58,962
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	6	30.71 (USD : TWD)	183

September 30,2023

	<u>Foreign Currency (Thousand)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 3,457	32.27 (USD : TWD)	\$ 111,549
EUR	327	32.91 (EUR : TWD)	11,081
<u>Non-monetary items</u>			
USD	1,638	32.27 (USD : TWD)	52,886
<u>Financial liabilities</u>			

<u>Monetary items</u>	<u>Foreign Currency (Thousand)</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
USD	29	32.27 (USD : TWD)	950

The significant unrealized foreign exchange gains were as follows:

<u>Foreign Currency</u>	<u>From July 1,2024 Until September 30</u>		<u>From July 1,2023 Until September 30</u>	
	<u>Exchange Rate</u>	<u>Foreign Exchange Loss</u>	<u>Exchange Rate</u>	<u>Foreign Exchange Loss</u>
USD	32.301 (USD : TWD)	(\$ <u>2,896</u>)	31.684 (USD : TWD)	\$ <u>1,336</u>
EUR	35.490 (EUR : TWD)	(\$ <u>87</u>)	34.490 (EUR : TWD)	(\$ <u>16</u>)

<u>Foreign Currency</u>	<u>From January 1,2024 Until September 30</u>		<u>From January 1,2023 Until September 30</u>	
	<u>Exchange Rate</u>	<u>Foreign Exchange Loss</u>	<u>Exchange Rate</u>	<u>Foreign Exchange Loss</u>
USD	32.034 (USD : TWD)	(\$ <u>529</u>)	30.928 (USD : TWD)	\$ <u>2,745</u>
EUR	34.820 (EUR : TWD)	\$ <u>320</u>	33.520 (EUR : TWD)	\$ <u>190</u>

(XXXIV) Separately Disclosed Items

1. Information about significant transactions:

- (1) Financing provided to others: None.
- (2) Endorsements/guarantees provided: Table 1.
- (3) Marketable securities held (excluding investments in subsidiaries): Table 2.
- (4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.
- (5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: 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) Others : Intercompany relationships and significant

intercompany transactions : Table 3.

3. Information on reinvestment business: Table 4.

4. Information on investments in China:

- (1) The name, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and remitted investment profit and loss of the invested company in China: None.
- (2) The following major transactions with China invested companies directly or indirectly through the third area, as well as their prices, terms of payment, unrealized profits and losses: None.
 - a. Balance and percentage at the end of the period of purchase amount and percentage and related payables: None.
 - b. Balance and percentage at the end of the period of sale amount and percentage and related payables: None.
 - c. The amount of property transactions and the amount of profit and loss generated: None.
 - d. Balance and purpose at the end of the period of note endorsement that guarantees or provides collateral: None.
 - e. Maximum balance, balance at the end of the period, interest rate range and total interest of the current period of financing: None.
 - f. Other transactions that have a significant impact on the current profit or loss or financial situation, such as the provision or receipt of labor services, etc: None.

5. Information of major shareholders: (the name, amount and proportion of shareholders with a shareholding ratio of 5% and more) : Table 5.

(XXXV)Information of Departments

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of products delivered or services provided. The reportable segments of the Group are dyeing and finishing division, trading sales division and others.

The chief operating decision maker regards the departmental units in each region as individual operating departments, but when preparing the consolidated financial report, the combined company considers the following factors and regards these operating departments as a single operating department.

- Similar in nature
- The product is delivered to the customer in the same way

1. Segment revenue and results

The income and operating results of the continuing business unit of the merged company are analyzed according to the reporting department as follows:

Item	Nine Months Ended September 30 in 2024				
	Dyeing and finishing division	Trading sales division	Others	Eliminations	Total
Revenue from external customers	\$ 93,237	\$ 471,344	\$ 8,875	\$ -	\$ 573,456
Intersegment revenue	<u>108,283</u>	<u>5,093</u>	<u>-</u>	<u>(113,376)</u>	<u>-</u>
Total sales	<u>\$ 201,520</u>	<u>\$ 476,437</u>	<u>\$ 8,875</u>	<u>(\$ 113,376)</u>	<u>\$ 573,456</u>
Segment income	<u>(\$ 72,483)</u>	<u>\$ 148,824</u>	<u>\$ 4,510</u>	<u>\$ -</u>	<u>\$ 80,851</u>

Item	Nine Months Ended September 30 in 2023				
	Dyeing and finishing division	Trading sales division	Others	Eliminations	Total
Revenue from external customers	\$ 112,165	\$ 540,202	\$ 8,683	\$ -	\$ 735,598
Intersegment revenue	<u>83,822</u>	<u>3,332</u>	<u>-</u>	<u>(124,354)</u>	<u>-</u>
Total sales	<u>\$ 195,987</u>	<u>\$ 543,534</u>	<u>\$ 8,683</u>	<u>(\$ 124,354)</u>	<u>\$ 735,598</u>
Segment income	<u>(\$ 67,609)</u>	<u>\$ 61,172</u>	<u>\$ 4,259</u>	<u>\$ -</u>	<u>\$ 52,020</u>

This measure is provided to the chief operating decision maker to allocate resources to departments and measure their performance.

2. Segment assets

Measures of consolidated company assets not provided for operational decisions.

Evertex Fabrinology Limited and Subsidiaries
Provision of endorsements and guarantees to others
January 1 to September 30, 2024

Table 1

Unit : NTD thousand

NO.	Guarantor	Guaranteed		Limit on guarantees provided for a single party (Note 2)	Maximum amount guarantee during the period (Note 4)	Outstanding guarantee at the end of the period (Note 4)	Actual amount drawn down	Amount of guarantees secured with collateral	Ratio of accumulated guarantee amount to net asset value of the guarantor company (Note 3)	Ceiling on total amount of guarantees provided (Note 2)	Provision of guarantees by parent company to subsidiary (Note 5)	Provision of guarantees by subsidiary to parent company (Note 5)	Provision of guarantees to the party in Mainland China (Note 5)	Remarks
		Company Name	Relationship											
0	The Company	Tung Fa Liu Neng Co., Ltd.	\$ 428,835	\$ 50,000	\$ 50,000	\$ 30,000	\$ -	4.99%	\$ 857,670	Y	-	-		

Note1: Associates in which the Company holds 50% of ordinary shares directly.

Note2: As for the amount of the Company's endorsement/guarantee provided to a single enterprise due to business dealings, the upper limit of the endorsement/guarantee provided shall not exceed one-half of the company's paid-in capital.

Note3: It is calculated according to the financial data of the company providing the endorsements/guarantees.

Note4: The maximum balance of endorsements/guarantees for the current period and the balance of endorsement/guarantee, end of period, are the amounts approved by the board of directors.

Note5: "Y" shall be entered only in the cases of endorsement/guarantee by the publicly listed parent to subsidiary; endorsement/guarantee by subsidiary to the publicly listed parent; endorsement/guarantee to entity in mainland china.

Evertex Fabrinology Limited and Subsidiaries
Markedable Securities Held (Do not include investment in subsidiaries)
September 30, 2024

Table 2

Unit: NTD thousand, thousands of share

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30,2024				Remarks (Note 4)
				Number of Shares	Carrying Amount	Percentage of Ownership /Bond effective interest rate (%)	Fair Value	
The Company	<u>Stocks</u>							
	Zig Sheng Industrial Co., Ltd.	None	Financial Assets Measured at Fair Value through Profit or Loss	600	\$ 6,690	0.11	\$ 6,690	Note1
	Prince Housing & Development Corp.	"	"	900	9,765	0.06	9,765	Note1
	China Steel Corporation	"	"	200	4,630	-	4,630	Note1
	China Rebar Co., Ltd	"	Financial Assets Measured at Fair Value through Profit or Loss	54	-	-	-	Note2
	Bright Wisdom Holdings Limited	"	Financial assets at fair value through other comprehensive income (FVTOCI) – non-current	150	6,289	1.15	6,289	Note3
	<u>Bonds</u>							
	Oracle Corporation USD Corporate Bond	"	Financial assets measured at amortized cost – non-current	-	6,267	5.36~5.58	6,424	Note4
	GOTLI Group USD Corporate Bonds	"	"	-	3,098	6.02	3,316	Note4
	United States Steel Corporation USD Bonds	"	"	-	5,450	6.26~6.94	5,426	Note4
	Qualcomm Incorporated USD Corporate Bond	"	"	-	6,383	4.21~5.32	6417	Note4
	AT&T American Telephone & Telegraph U.S. Dollar Corporate Bonds	"	"	-	2,943	5.26~5.33	2,934	Note4
	Verizon Communications Inc. USD Corporate Bonds	"	"	-	2,924	5.00~5.14	2,868	Note4
	Apple USD Corporate Bonds	"	"	-	6,574	4.37	6,260	Note4
	Berkshire Hathaway Financial Corporation USD Corporate Bonds	"	"	-	6,619	4.41~5.65	6,735	Note4
	ORIX Corporation USD Corporate Bonds	"	"	-	4,956	4.55	4,849	Note4
	Macquarie Bank Limited USD Corporate Bonds	"	"	-	3,179	4.95	3,205	Note4
	3.25% U.S. Treasury Dollar Bond	"	"	-	7,117	3.89~4.29	7,017	Note4
	The Estée Lauder Companies USD Corporate Bond	"	"	-	1,490	5.50	1,598	Note4
	Boeing Co. USD Corporate Bonds	"	"	-	1,523	5.94	1,586	Note4
UBS London USD Corporate Bond	"	"	-	1,597	4.77	1,578	Note4	

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30,2024				Remarks (Note 4)
				Number of Shares	Carrying Amount	Percentage of Ownership /Bond effective interest rate (%)	Fair Value	
	UnitedHealth Group Inc. USD Corporate Bonds	"	"	6,129	4.94~5.05	6,114	Note4	
	Eli Lilly and Company USD Corporate Bonds	"	"	4,811	4.48~4.56	4,874	Note4	
	Pfizer Pharmaceutical Co., Ltd. USD Corporate Bonds	"	"	2,977	4.87	2,995	Note4	
	Nomura International Capital Pte Ltd USD Corporate Bond	"	"	6,380	4.91~5.12	6,244	Note4	
	Starbucks Corporation USD Corporate Bonds	"	"	4,157	5.36	4,185	Note4	
	Meta Platform Company USD Corporate Bonds	"	"	3,414	5.08	3,428	Note4	
	Goldman Sachs Financial Services International Ltd. Stepped Rate USD Corporate Bonds	"	"	3,173	4.95	3,151	Note4	

Note 1: The market value is calculated based on the share's closing market price on June 30, 2024 from Taiwan Stock Exchange.

Note 2: Since China Rebar Co., Ltd has applied for reorganization at the end of 2006, delisting at April 11, 2007 , assessed that its value had been impaired, its book value was fully recognized as loss on valuation of financial asset in 2006.

Note 3: The fair value of foreign unlisted corporate equity investments are estimated using the market approach with reference to the net value of the investee company in its most recent financial statements of the invested company and based on the evaluation of similar companies and the operations of the investee company.

Note 4: The fair value of the bonds is calculated based on the counterparty's quotation as of September 30, 2013.

Note 5: None of the securities held at the end of the period were pledged.

Evertex Fabrinology Limited and Subsidiaries
 Business Relations and Important Transactions between the Parent Company and Subsidiaries and between Subsidiaries
 January 1,2024 to September 30,2024

Table 3

Unit: Unless otherwise noted, it is NT\$ thousand

NO. (Note1)	Company name	Counterparty	Relationship(Note2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	Tung Fa Liu Neng Co., Ltd.	Parent company to subsidiary	Guarantees	\$ 50,000	—	4.24%
1	Tung Fa Liu Neng Co., Ltd.	The Company	Subsidiary company to Parent	Cash Dividend	3,801	—	0.32%

Note1 : The business information between the parent company and the subsidiaries shall be indicated in the serial number column respectively, and the numbering method is as follows:

- (1) Fill in 0 for the parent company.
- (2) The subsidiaries shall be numbered sequentially starting with the Arabic numeral 1 according to the company.

Note2 : There are three kinds of relationship with the trader, which can be marked:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note3 : Calculation of the ratio of transaction amount to total consolidated income or total assets, in the case of asset-liability items, it shall be calculated according to the balance at the end of the period to the total consolidated assets; in the case of profit and loss items, it shall be calculated according to the accumulated amount in the period to the total consolidated income.

Note4 : The important transactions in this table can be determined by the company based on the principle of material.

Evertex Fabrinology Limited and Subsidiaries
Name, Locations, And Other Informations Of Investees On Which The Company Exercises Significant Infulence
January 1, 2024 to September 30, 2024

Table 4

Unit: Unless otherwise noted, it is NT\$ thousand

Investor Company	Investee Company	Location	Main Business and Products	Investment Amount		Held at the end of the period			Net Income (Loss) of the Investee (Note 1 and 2)	Share of Profit (Note1 and 2)	Remarks
				Septembe 30, 2024	Septembe 30, 2023	Number of Shares	%	Carrying Amount (Note1 and 2)			
The Company	Tung Fa Liu Neng Co., Ltd.	Taoyuan City	Self-usage power generation equipment utilizing renewable energy industry	\$ 46,000	\$ 46,000	4,600,000	100	\$ 52,288	\$ 3,608	\$ 3,608	Subsidiary

Note1 : The investment gains and losses of the subsidiaries accounted are calculated based on the financial statements that have been audited.

Note2 : Eliminated from the consolidated financial statements.

Note3 : None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

Evertex Fabrinology Limited
Information Of Major Shareholders
Septembe 30,2024

Table 5

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chung-Fa Investment Co., Ltd.	9,055,566	10.55%
Da-Fa Investment Co., Ltd.	8,353,179	9.73%
Chih-Ming Yeh	4,482,478	5.22%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.