Stock Code:1455

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements for the Nine Months Ended Sep 30, 2024 and 2023 and Independent Auditors' Review Report

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Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements for the
Nine Months Ended Sep 30, 2024
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Independent Auditors' Review Report

To : Zig Sheng Industrial Co., Ltd.

Preface

We have reviewed the consolidated financial statements of Zig Sheng Industrial Co., Ltd. and Subsidiaries (the "Group"), which comprise the consolidated balance sheets as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, consolidated statements of changes in equity, and consolidated statements of cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies (together "Consolidated Financial Statements"). Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan). Our responsibility is to express a conclusion on the Consolidated Financial Statements based on our reviews.

Scope

Except for the items mentioned in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagement No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters) and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in Note 4.3-2 of the Consolidated Financial Statements, the amounts shown in the financial statements of insignificant subsidiaries included in the Consolidated Financial Statements were prepared based on un-audited financial statements of the respective companies in the corresponding periods. The amount of total assets of such subsidiaries as of September 30, 2024 and 2023 was $49,226 thousand and $53,126 thousand, respectively, which accounted for 0.44%

and 0.54% of the total consolidated assets, respectively. The amount of total liabilities was $18,055 thousand and $30,204 thousand, respectively, which accounted for 0.38% and 0.86% of the total consolidated liabilities, respectively. The amount of total comprehensive income (loss) for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was ($1,398) thousand, $1,114 thousand, $3,241 thousand, and $964 thousand respectively, which accounted for 1.96%, (1.11)%, 4.27% and (0.35)% of the total consolidated comprehensive income (loss), respectively.

Qualified Conclusion

Based on our review, except for the financial statements of non-significant subsidiaries and related information described in the Basis for Qualified Conclusions paragraph that could have been adjusted to the Consolidated Financial Statements had they been reviewed by CPA, nothing has come to our attention that caused us to believe that the accompanying Consolidated Financial Statements do not present fairly, in all material respects the consolidated financial position of the Company as of September 30, 2024 and 2023, and its consolidated financial performance for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan).

The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Kui-Mei and Lin, Chih-Lung.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

November 8, 2024

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

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

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of September 30, 2024, December 31, 2023 and September 30, 2023

Unit: Thousands of New Taiwan Dollars

Code	Assets	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6.1)	$ 82, 748	1	$ 144, 683	2	$ 92, 283	1
1110	Financial assets at FVTPL – current (Note 6.2)	818, 465	7	721, 420	7	631, 461	7
1150	Notes receivable, net (Note 6.3)	62, 683	1	102, 957	1	112, 311	1
1170	Accounts receivable, net (Note 6.4)	1, 269, 986	11	1, 227, 358	12	1, 092, 931	11
1180	Accounts receivable - related parties, net (Note 6.4, Note 7)	7, 233	–	25, 738	–	31, 373	–
1200	Other receivables (Note 6.5)	28, 032	–	11, 043	–	11, 925	–
1210	Other receivables - related parties	–	–	–	–	20, 956	–
1220	Current-period income tax assets	32	–	25	–	19	–
130x	Inventories, net (Note 6.6)	2, 076, 049	19	1, 790, 569	17	1, 643, 866	17
1410	Prepayments (Note 6.7)	51, 505	–	42, 402	1	28, 957	–
1479	Other current assets - other (Note 6.8)	–	–	22, 228	–	–	–
11xx	Total Current Assets	4, 396, 733	39	4, 088, 423	40	3, 666, 082	37
	Noncurrent Assets						
1517	Financial assets at FVTOCI - noncurrent (Note 6.9)	181, 721	2	180, 826	2	172, 322	2
1600	Property, plant and equipment (Note 6.11)	4, 630, 139	42	4, 757, 528	46	4, 724, 606	49
1755	Right-of-use asset (Note 6.12)	102, 559	1	110, 343	1	113, 451	1
1760	Investment properties, net (Note 6.13)	965, 435	9	830, 491	8	817, 978	8
1780	Intangible assets (Note 6.14)	2, 522	–	4, 301	–	4, 658	–
1840	Deferred income tax assets	147, 973	1	140, 531	1	133, 735	1
1915	Prepayments for equipment	666, 786	6	131, 608	1	70, 908	1
1920	Refundable deposits (Note 6.15)	11, 619	–	18, 379	–	18, 441	–
1990	Other noncurrent assets – other (Note 6.16)	52, 241	–	46, 934	1	48, 796	1
15xx	Total noncurrent assets	6, 760, 995	61	6, 220, 941	60	6, 104, 895	63
1xxx	Total Assets	$ 11, 157, 728	100	$ 10, 309, 364	100	$ 9, 770, 977	100

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Code	Liabilities and equity	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
	Current Liabilities						
2100	Short-term borrowings (Note 6.17)	$ 1, 110, 000	10	$ 910, 000	9	$ 840, 000	9
2110	Short-term notes and bills payable (Note 6.18)	849, 886	8	579, 909	6	209, 948	2
2120	Financial liabilities at FVTPL - current (Note 6.19)	–	–	384	–	–	–
2130	Contractual liabilities – current (Note 6.31)	32, 254	–	31, 223	–	46, 332	–
2150	Notes payable (Note 6.20)	214, 952	2	174, 111	2	174, 998	2
2170	Accounts payable (Note 6.20)	582, 085	6	467, 053	4	394, 307	4
2180	Accounts payable - related parties (Note 7)	59	–	126	–	268	–
2200	Other payables (Note 6.21)	271, 289	3	281, 937	3	277, 392	3
2220	Other payables - related parties (Note 7)	53	–	15	–	162	–
2230	Current-period income tax liabilities	1	–	–	–	51	–
2250	Provisions - current (Note 6.22)	33, 560	–	28, 988	–	31, 528	–
2280	Lease liabilities - current (Note 6.12)	11, 690	–	12, 648	–	11, 369	–
2320	Long-term liabilities due within one year or one business cycle (Note 6.24)	360, 000	3	–	–	–	–
2399	Other current liabilities – other (Note 6.23)	28, 547	–	3, 478	–	1, 160	–
21xx	Total current liabilities	3, 494, 376	32	2, 489, 872	24	1, 987, 515	20
	Noncurrent Liabilities						
2540	Long-term borrowings (Note 6.24)	988, 000	9	1, 200, 000	12	1, 200, 000	12
2570	Deferred income tax liabilities	137, 395	1	137, 395	1	139, 564	2
2580	Lease liabilities - noncurrent (Note 6.12)	92, 838	1	100, 523	1	103, 376	1
2640	Net defined benefit liability - noncurrent (Note 6.25)	43, 919	–	57, 808	1	62, 656	1
2645	Guarantee deposits received (Note 6.26)	18, 663	–	17, 410	–	17, 260	–
25xx	Total noncurrent liabilities	1, 280, 815	11	1, 513, 136	15	1, 522, 856	16
2xxx	Total liabilities	4, 775, 191	43	4, 003, 008	39	3, 510, 371	36
	Equity						
	Equity attributable to owners of the parent						
3100	Share capital (Note 6.27)						
3110	Common shares	5, 316, 884	48	5, 316, 884	52	5, 316, 884	54
3200	Capital surplus (Note 6.28)	346, 546	3	346, 343	3	345, 964	4
	Retained earnings (Note 6.29)						
3310	Legal reserves	268, 411	2	341, 448	3	341, 448	4
3320	Special reserves	321, 614	3	321, 614	3	321, 614	3
3350	Unappropriated retained earnings (accumulated deficit)	75, 776	1	(73, 037)	(1)	(109, 685)	(1)
3300	Total retained earnings	665, 801	6	590, 025	5	553, 377	6
	Other equity (Note 6.30)						
3410	Exchange differences from translation of foreign operations	(40)	–	(967)	–	(676)	–
3420	Unrealized gains or losses on financial assets at FVTOCI (Note 6.9)	53, 346	–	54, 071	1	45, 057	–
3400	Total other equity	53, 306	–	53, 104	1	44, 381	–
31xx	Total equity attributable to owners of the parent	6, 382, 537	57	6, 306, 356	61	6, 260, 606	64
3xxx	Total Equity	6, 382, 537	57	6, 306, 356	61	6, 260, 606	64
	Total Liabilities and Equity	$ 11, 157, 728	100	$ 10, 309, 364	100	$ 9, 770, 977	100

(The accompanying notes form an integral part of the consolidated financial statements)

Zig Sheng Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

Three Months Ended September 30, 2024 and 2023 and Nine Months Ended September 30, 2024 and 2023

Unit：Thousands of New Taiwan Dollars

Code	Item	July 1, 2024 to September 30, 2024 Amount	%	July 1, 2023 to September 30, 2023 Amount	%	January 1, 2024 to September 30, 2024 Amount	%	January 1, 2023 to September 30, 2023 Amount	%
4000	Operating revenue (Note 6.31)	$ 2, 376, 028	100	$ 1, 925, 057	100	$ 7, 318, 106	100	$ 5, 463, 353	100
5000	Operating costs (Note 6.6, Note 6.36)	(2, 355, 067)	(99)	(2, 016, 016)	(105)	(7, 141, 027)	(98)	(5, 666, 351)	(104)
5900	Gross profit (loss) from operations	20, 961	1	(90, 959)	(5)	177, 079	2	(202, 998)	(4)
	Operating expenses (Note 6.36)								
6100	Selling expenses	(65, 681)	(2)	(53, 406)	(3)	(203, 365)	(2)	(154, 544)	(3)
6200	Administrative expenses	(19, 911)	(1)	(26, 505)	(1)	(79, 352)	(1)	(81, 636)	(1)
6300	Research and development expenses	(12, 585)	(1)	(17, 988)	(1)	(36, 812)	(1)	(54, 167)	(1)
6000	Total operating expenses	(98, 177)	(4)	(97, 899)	(5)	(319, 529)	(4)	(290, 347)	(5)
6900	NET OPERATING INCOME (LOSS)	(77, 216)	(3)	(188, 858)	(10)	(142, 450)	(2)	(493, 345)	(9)
	Non-operating income and expense								
7100	Interest income (Note 6.32)	23	–	56	–	442	–	292	–
7010	Other income (Note 6.33)	38, 636	1	39, 873	2	119, 898	2	238, 089	4
7020	Other gains and losses (Note 6.34)	(25, 043)	(1)	39, 578	2	116, 510	2	(49, 827)	(1)
7050	Finance costs (Note 6.35)	(11, 539)	–	(5, 312)	–	(26, 009)	(1)	(23, 330)	–
7000	Total non-operating income and expenses	2, 077	–	74, 195	4	210, 841	3	165, 224	3
7900	INCOME (LOSS) BEFORE INCOME TAX	(75, 139)	(3)	(114, 663)	(6)	68, 391	1	(328, 121)	(6)
7950	INCOME TAX (EXPENSE) BENEFIT (Note 6.38)	15, 233	1	28, 517	2	7, 385	–	52, 675	1
8200	NET INCOME (LOSS)	(59, 906)	(2)	(86, 146)	(4)	75, 776	1	(275, 446)	(5)
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 6.30)								
	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized measurement gains or losses on equity instruments measured at FVTOCI (Note 6.9)	(11, 591)	–	(14, 794)	(1)	(725)	–	101	–
8310	Total items that will not be reclassified to profit or loss	(11, 591)	–	(14, 794)	(1)	(725)	–	101	–
	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences from translation of foreign operations	330	–	397	–	927	–	(252)	–
8360	Total items that may be reclassified subsequently to profit or loss	330	–	397	–	927	–	(252)	–
8300	Other comprehensive income (loss), net	(11, 261)	–	(14, 397)	(1)	202	–	(151)	–
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	($ 71, 167)	(2)	($ 100, 543)	(5)	$ 75, 978	1	($ 275, 597)	(5)
8600	Net income (loss) attributable to:								
8610	Owners of the parent (Net income/loss)	($ 59, 906)	(2)	($ 86, 146)	(4)	$ 75, 776	1	($ 275, 446)	(5)
8700	Total comprehensive income (loss) attributable to:								
8710	Owners of the parent (comprehensive income)	($ 71, 167)	(2)	($ 100, 543)	(5)	$ 75, 978	1	($ 275, 597)	(5)
	EARNINGS (LOSS) PER SHARE (Note 6.39)								
9750	Basic earnings (loss) per share	($ 0. 12)		($ 0. 16)		$ 0. 14		($ 0. 52)	
9850	Diluted earnings (loss) per share	($ 0. 12)		($ 0. 16)		$ 0. 14		($ 0. 52)	

(The accompanying notes form an integral part of the consolidated financial statements)

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
Nine Months Ended September 30, 2024 and 2023

Unit：Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent							
				Retained Earnings			Other Equity		
Code	Item	Share Capital - Common Shares	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences from translation of foreign operations	Unrealized gains or losses on financial assets at FVTOCI	Total Equity
A1	Balance on January 1, 2023	$ 5, 316, 884	$ 399, 133	$ 341, 448	$ 321, 614	$ 169, 079	($ 424)	$ 41, 638	$ 6, 589, 372
	Appropriation and distribution of earnings:								
C15	Cash dividends from capital surplus	−	(53, 169)	−	−	−	−	−	(53, 169)
D1	Profit (loss) covering January 1~September 30, 2023	−	−	−	−	(275, 446)	−	−	(275, 446)
D3	Other comprehensive income (loss) covering January 1 ~ September 30, 2023	−	−	−	−	−	(252)	101	(151)
D5	Total comprehensive income (loss) covering January 1 ~ September 30, 2023	−	−	−	−	(275, 446)	(252)	101	(275, 597)
Q1	Disposals of equity investments at FVTOCI	−	−	−	−	(3, 318)	−	3, 318	−
Z1	Balance on September 30, 2023	$ 5, 316, 884	$ 345, 964	$ 341, 448	$ 321, 614	($ 109, 685)	($ 676)	$ 45, 057	$ 6, 260, 606
A1	Balance on January 1, 2024	$ 5, 316, 884	$ 346, 343	$ 341, 448	$ 321, 614	($ 73, 037)	($ 967)	$ 54, 071	$ 6, 306, 356
	Appropriation and distribution of earnings:								
B13	Legal reserve to cover losses	−	−	(73, 037)	−	73, 037	−	−	−
C17	Uncollected overdue dividends by shareholders	−	203	−	−	−	−	−	203
D1	Profit (loss) covering January 1~September 30, 2024	−	−	−	−	75, 776	−	−	75, 776
D3	Other comprehensive income (loss) covering January 1 ~ September 30, 2024	−	−	−	−	−	927	(725)	202
D5	Total comprehensive income (loss) covering January 1 ~ September 30, 2024	−	−	−	−	75, 776	927	(725)	75, 978
Z1	Balance on September 30, 2024	$ 5, 316, 884	$ 346, 546	$ 268, 411	$ 321, 614	$ 75, 776	($ 40)	$ 53, 346	$ 6, 382, 537

(The accompanying notes form an integral part of the consolidated financial statements)

Zig Sheng Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

Nine Months Ended September 30, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

Code	Item	January 1, 2024 to September 30, 2024	January 1, 2023 to September 30, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Net profit (loss) before tax from continuing operations	$ 68, 391	($ 328, 121)
	Adjustments		
	Income/gain or expense/loss items		
A20100	Depreciation expense (including depreciation of right-of-use assets and investment properties)	254, 793	272, 709
A20200	Amortization expense	29, 047	26, 949
A20400	Net loss (gain) on financial assets and liabilities measured at FVTPL	(123, 724)	60, 853
A20900	Interest expense	40, 223	25, 058
A21200	Interest income	(442)	(292)
A21300	Dividend income	(35, 885)	(140, 683)
A22500	Loss (gain) on disposal or scrapping of property, plant and equipment	16	180
A22600	Property, plant and equipment transferred to expense	2, 825	-
A23100	Net loss (gain) from disposal of investments	14, 336	4, 790
A20010	Total income/gain or expense/loss items	181, 189	249, 564
	Changes in operating assets and liabilities		
	Net changes in operating assets		
A31115	Decrease (increase) in financial assets mandatorily measured at FVTPL	11, 959	(116, 062)
A31130	Decrease (increase) in notes receivable	40, 274	16, 065
A31150	Decrease (increase) in accounts receivable	(42, 628)	(429, 257)
A31160	Decrease (increase) in accounts receivable – related parties	18, 505	1, 341
A31180	Decrease (increase) in other receivables	(14, 811)	(9, 768)
A31200	Decrease (increase) in inventories	(213, 361)	195, 114
A31230	Decrease (increase) in prepayments	(9, 103)	(10, 631)
A31240	Decrease (increase) in other current assets - other	22, 228	54, 790
	Net changes in operating liabilities		
A32125	Increase (decrease) in contractual liabilities	1, 031	(29, 086)
A32130	Increase (decrease) in notes payable	40, 841	8, 482
A32150	Increase (decrease) in accounts payable	115, 032	176, 854
A32160	Increase (decrease) in accounts payable – related parties	(67)	229
A32180	Increase (decrease) in other payables	18, 425	(5, 796)
A32190	Increase (decrease) in other payables - related parties	38	162
A32200	Increase (decrease) in provisions	4, 572	3, 623
A32230	Increase (decrease) in other current liabilities	25, 069	(812)
A32240	Increase (decrease) in net defined benefit liabilities	(13, 889)	(11, 213)
A30000	Total net changes in operating assets and liabilities	4, 115	(155, 965)
A33000	Cash generated from (used in) operations	253, 695	(234, 522)
A33100	Interest received	595	387
A33200	Dividend received	33, 554	140, 683
A33300	Interest paid	(40, 255)	(24, 176)
A33500	Income tax refund (paid)	(63)	(114)
AAAA	Net cash flows from (used in) operating activities	247, 526	(117, 742)

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Code	Item	January 1, 2024 to September 30, 2024	January 1, 2023 to September 30, 2023
	CASH FLOWS FROM INVESTING ACTIVITIES:		
B00010	Acquisition of FVTOCI financial assets	(4,000)	(4,000)
B00020	Disposal of FVTOCI financial assets	-	6,111
B00030	Returned capital from FVTOCI financial assets	2,380	-
B02700	Acquisition of property, plant and equipment	(135,826)	(313,402)
B03700	Increase in refundable deposits	-	(38)
B03800	Decrease in refundable deposits	6,760	4,564
B04500	Acquisition of intangible assets	(214)	(1,292)
B05400	Acquisition of investment properties	(125,632)	(127,696)
B06700	Increase in other noncurrent assets	(32,361)	(23,873)
B07100	Increase in prepayments for equipment	(630,284)	(65,784)
BBBB	Net cash flows from (used in) investing activities	(919,177)	(525,410)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	11,984,029	5,760,100
C00200	Decrease in short-term borrowings	(11,784,029)	(6,400,000)
C00500	Increase in short-term notes and bills payable	6,880,000	1,900,000
C00600	Decrease in short-term notes and bills payable	(6,610,000)	(1,740,000)
C01600	Proceeds from long-term borrowings	148,000	1,200,000
C03000	Increase in guarantee deposits received	1,785	12,630
C03100	Decrease in guarantee deposits received	(532)	(18,664)
C04020	Lease principal repayment	(10,667)	(10,534)
C04500	Distribution of cash dividends	-	(53,169)
C09900	Uncollected overdue dividends transferred to capital surplus	203	-
CCCC	NET CASH FLOWS FROM FINANCING ACTIVITIES	608,789	650,363
DDDD	Effects on cash and cash equivalents due to fluctuations in exchange rates	927	(252)
EEEE	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(61,935)	6,959
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	144,683	85,324
E00200	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 82,748	$ 92,283

(The accompanying notes form an integral part of the consolidated financial statements)

Zig Sheng Industrial Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

Nine Months Ended September 30, 2024 and 2023

（Amounts in Thousands of New Taiwan Dollars, unless specified otherwise）

1. General Information

Zig Sheng Industrial Co., Ltd. (the "Company") was founded and registered with approval on August 18, 1969 according to the Company Act and other relevant laws and regulations. The principal operating activities of the Company are as following：

(1) Spinning, weaving, dyeing/finishing, printing, processing, and trading of various filaments, artificial cotton and nylon fiber.

(2) Production, selling, import/export trading of fiber raw materials for use in the petrochemical industry.

The Company has factories in Guishan District, Guanyin District and Dayuan District, Taoyuan City.

The Company's stock has been traded in the Taiwan Stock Exchange since October 7, 1993.

The Company has no ultimate parent company.

The Company's functional currency is New Taiwan Dollar. Since the Company is publicly traded in Taiwan, in order to increase comparability and consistency of the financial statements, these Consolidated Financial Statements are presented in New Taiwan Dollars.

Unless specified otherwise, the Company and the subsidiaries included in these Consolidated Financial Statements are together called the "Group" hereafter.

2. The Authorization of Financial Statements

The accompanying Consolidated Financial Statements were approved and authorized for issue by the board of directors on November 8, 2024.

3. Application of Newly Issued Standards, Amendments, and Interpretations

3.1 Effects from application of International Financial Reporting Standards, International Accounting Standards, Interpretations and Standard Interpretations (collectively "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan) ("FSC"):

The following summarizes the newly issued, amended or revised IFRSs that are endorsed by FSC and effective for 2024:

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024 (Note)
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note)

Note: This amendment is applicable for annual reporting periods beginning on or after January 1, 2024.

1. Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

   This amendment clarifies that for sale and leaseback transactions, if the transfer of assets is treated as a sale under IFRS 15, the seller and lessee's liability arising from the leaseback shall be treated in accordance with the provisions of IFRS 16 relating to lease liabilities; however, if change in lease payment (which is not dependent on index or rate) is involved, the seller (also the lessee) shall determine and recognize the lease liability arising from such payment change in a manner that does not result in the recognition of profit or loss in respect of the retained right of use, and the difference between the actual subsequent lease payment amount and the reduced carrying amount of the lease liability shall be recognized in profit or loss.

2. Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

   The amendment clarifies that the determination of whether a liability is classified as non-current should be made by assessing whether the entity has a right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the enterprise has such a right at the end of the reporting period, the liability should be classified as non-current regardless of whether the entity expects to exercise the right. If the enterprise must comply with certain conditions to have the right to defer settlement, those conditions must have been complied with at the end of the reporting period in order for the liability to be classified as non-current, even if the creditor has checked at a later date whether the enterprise has complied with those conditions.

   In addition, the amendment provides that, for liability classification purposes, settlement mentioned above means transfer of cash, other economic resources or the Company's equity instruments to the counterparty that discharges the liability. However, based on the choice of the counterparty, the liability may be settled due to transfer of the Company's equity instruments, and such right of choice is recognized separately in equity in accordance with IAS 32, "Financial Instruments: Presentation", then the above provision does not affect the classification of liability.

3. Amendments to IAS 1 “Non-current Liabilities with Covenants”

This amendment further clarifies that only contractual terms that are required to be met prior to the end of the reporting period would affect the classification of the liability at that date. Contractual terms that are required to be met within 12 months after the end of the reporting period do not affect the classification of the liability, except that an entity should disclose in the notes the facts and circumstances of liabilities classified as non-current at the end of the reporting period if it is probable that it will not be able to comply with the terms of the contract and will be due for settlement within 12 months after the end of the reporting period.

4. Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

A vendor financing arrangement is an arrangement in which one or more finance providers make payments to a supplier on behalf of a business and the business agrees to pay the finance providers on or after the agreed payment date. The amendment to IAS 7 requires a company to disclose information about its supplier financing arrangements to enable users of its financial statements to assess the impact of those arrangements on the company's liabilities, cash flows and liquidity risk exposures. In its application guidance, the IFRS 7 amendment incorporates the requirement that an entity disclose how it manages the liquidity risk of its financial liabilities and may also consider whether it has obtained or has access to financing through vendor financing arrangements and whether such arrangements may result in a concentration of liquidity risk.

After assessment by the Group, the above standards and interpretations do not have material impact on the consolidated financial position and consolidated financial performance of the Group.

3.2 Effects from not yet adopting the newly issued, amended or revised International Financial Reporting Standards that have been endorsed and issued into effect by FSC:

The following summarizes the newly issued, amended or revised IFRSs that are endorsed by FSC and effective for 2025:

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

After assessment by the Group, the above standards and interpretations do not have material impact on the consolidated financial position and consolidated financial performance of the Group.

3.3 Effects from the International Financial Reporting Standards issued by IASB but not yet been endorsed and issued into effect by FSC:

The following table summarizes newly issued, revised and amended standards and interpretations of IFRSs issued by IASB but not yet been endorsed by FSC:

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
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 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undetermined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	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 in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

After assessment by the Group, the above standards and interpretations do not have material impact on the consolidated financial position and consolidated financial performance of the Group, except as described below.

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

   The amendments are described below:

   (1) Clarify the dates of recognition and derecognition of certain financial assets and liabilities by adding that when using an electronic payment system to settle a financial liability (or a portion of a financial liability) in cash, the enterprise is permitted to treat the financial liability as discharged prior to the date of settlement when, and only when, the enterprise initiates a payment instruction that results in the following:

      A. The business does not have the ability to withdraw, suspend or cancel a payment instruction.

      B. The entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

      C. The settlement risk associated with the electronic payment system is insignificant.

   (2) Clarify and add further guidance for assessing whether a financial asset meets the solely payment of principal and interest (SPPI) criterion, ranging from contractual terms that change cash flows based on contingent events (e.g., interest rates linked

to ESG objectives), to instruments with non-recourse features, and to contractually linked instruments.

(3) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); Quantitative information on the range of changes in contractual cash flows that may arise from the terms of such contracts; the gross carrying amount of financial assets and amortized cost of financial liabilities subject to these contractual terms.

(4) Updating the designation of equity instruments at FVTOCI through an irrevocable election should disclose their fair value on a per-class basis, eliminating the need to disclose their fair value information on a per-underlying basis. The amount of fair value gains and losses recognized in other comprehensive income during the reporting period should also be disclosed. The amount of fair value gains and losses related to investments derecognized during the reporting period and the amount of fair value gains and losses related to investments still held at the end of the reporting period should also be disclosed, as should the cumulative gain or loss on investments derecognized during the reporting period that were transferred to equity during the reporting period.

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

This amendment resolves an inconsistency between existing IFRS 10 and IAS 28. Depending on the nature of the assets sold (invested), an investor who sells (invests) an asset to an associate or a joint venture may recognize all or part of the gain or loss on disposal:

(1) All gains or losses on disposals are recognized when the assets sold (invested) qualify as "business";

(2) When the assets sold (invested) do not qualify as "business", only a portion of the gain or loss on disposal with unaffiliated investors within the scope of their interests in related parties or joint ventures can be recognized.

3. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of consolidated income statements, adds disclosure of management performance measures, and strengthens the principles of aggregation and breakdowns applied to the primary financial statements and notes.

4. IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

   This standard allows qualified subsidiaries to apply IFRS accounting standards that reduce disclosure requirements.

5. Annual Improvements to IFRS Accounting Standards—Volume 11

   (1) Hedge accounting by a first-time adopter (Amendments to IFRS 1)

   Amend IFRS 1 paragraph B5 and B6 to be consistent with IFRS 9. Add cross-references to improve the accessibility and understandability of IFRS Accounting Standards.

   (2) Gain or loss on derecognition (Amendments to IFRS 7)

   Amend IFRS 7 paragraph B38 to update obsolete cross-references.

   (3) Introduction (Amendments to guidance on implementing IFRS 7)

   Amend IFRS 7 paragraph IG1 to add a statement clarifying that the guidance does not illustrate all the requirements in IFRS 7.

   (4) Credit risk disclosures (Amendments to guidance on implementing IFRS 7)

   Amend IFRS 7 paragraph IG20B to simplify its wording.

   (5) Disclosure of deferred difference between fair value and transaction price (Amendments to guidance on implementing IFRS 7)

   Amend IFRS 7 paragraph IG14 to improve its consistency with paragraph 28 of IFRS 7.

   (6) Derecognition of lease liabilities (Amendments to IFRS 9)

   Amend IFRS 9 paragraph 2.1(b) (ii) to add a cross-reference to paragraph 3.3.3 of that Standard and to resolve potential confusion for a lessee applying the derecognition requirements in the Standard.

   (7) Transaction price (Amendments to IFRS 9)

   Amend IFRS 9 paragraph 5.1.3 and Appendix A to clarify the use of the term “transaction price” in the Standard.

   (8) Determination of a “de facto agent” (Amendments to IFRS 10)

   Amend IFRS 10 paragraph B73 and B74 to remove an inconsistency in the application of standard requirements when determining a de facto agent.

   (9) Cost method (Amendments to IFRS 7)

   Replace the term “cost method” with “at cost”.

As of the date of issuance of these consolidated financial statements, the Group is still evaluating the impact on its financial position and financial performance from the aforementioned standards and interpretations, and the related impact will be disclosed when the Group completes the evaluation.

4. Summary of Significant Accounting Policies

Except for the Statement of Compliance, Basis of Preparation, Basis of Consolidation and newly added sections described as followings, the rest of significant accounting policies are the same as those in Note 4 of the 2023 annual consolidated financial statements. These policies have been consistently applied to all of the reporting periods unless otherwise stated.

4.1 Statement of Compliance

1. These interim Consolidated Financial Statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by FSC. These Consolidated Financial Statements do not include all necessary information that shall be disclosed in the full-year consolidated financial statements prepared according to IFRSs endorsed and issued into effect by FSC.
2. These interim Consolidated Financial Statements shall be read in combination with the 2023 annual consolidated financial statements.

4.2 Basis of Preparation

1. Except for the following material items, the Consolidated Financial Statements have been prepared under the historical cost convention：
   (1) Financial assets and financial liabilities (including derivative instruments) measured at Fair Value Through Profit or Loss ("FVTPL").
   (2) Financial assets measured at Fair Value Through Other Comprehensive Income ("FVTOCI").
   (3) Liabilities on cash-settled share-based payment arrangements measured at fair value.
   (4) Defined benefit liabilities recognized based on the net value of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The items involving a higher degree of judgment or complexity, or items where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 5.

4.3 Basis of Consolidation

1. Principles for preparing the Consolidated Financial Statements

   The principles for preparing the Consolidated Financial Statements are the same as those of the 2023 annual consolidated financial statements. Please refer to Note 4.3-1 of the 2023 annual consolidated financial statements.

2. The subsidiaries in the consolidated financial statements:

Investor	Subsidiaries	Main Businesses	Percentage of Ownership		
			2024.9.30.	2023.12.31.	2023.9.30.
Zig Sheng Industrial Co., Ltd.	Nicest Int'L Trading Corp.	According to instructions by management policies of the parent company, conduct investments in various businesses other than Taiwan region	100%	100%	100%
Zig Sheng Industrial Co., Ltd.	Ding Sheng Material Technology Corporation Limited	Manufacture of synthetic resin and industrial plastic and the related international trading	100%	100%	100%
Nicest Int'L Trading Corp.	Suzhou Hongsheng Trading Co., Ltd	Engage in wholesale, export/import, commission agent (except for auctions) of plastic materials, chemical products (except for hazardous chemicals), chemical fiber products, textile materials, mechanical and electrical equipment and parts, and the related auxiliary services, technical consulting services, and also provision of on-site repairment services for the mechanical and electrical equipment and parts.	100%	100%	100%
Ding Sheng Material Technology Corporation Limited	Ding Sheng Material Technology Corporation	General import/export trading	100%	100%	100%

   Since all of the subsidiaries included in the Consolidated Financial Statements do not meet the definition of material subsidiary, all financial statements of the subsidiaries as of September 30, 2024 and 2023 were not reviewed by CPA.

3. Increase or decrease in consolidation subsidiaries: None.

4. Subsidiaries not included in the consolidated financial statements

   As of September 30, 2024, December 31, 2023 and September 30, 2023, the total assets, total liability and total equity of the Group’s invested subsidiary, ZIS Holding Co., Ltd., were all zero, and the subsidiary did not have any income, expenses or losses during the above periods. Therefore, the subsidiary is not included as a component entity in the Consolidated Financial Statements.

5. Adjustments and treatments for subsidiaries with different accounting period: None.

6. Nature and degree of significant restrictions on the ability to transfer funds from subsidiaries to the parent company：

   Due to local foreign exchange controls, the cash and bank deposits in Mainland China by the amount of $3,584 thousand, $16,077 thousand and $18,391 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, were restricted from transferring out of Mainland China (except for normal dividends or business transactions (trading)).

7. Subsidiaries that have non-controlling interests that are material to the Group: None.

4.4 Defined benefit post-employment benefits

The pension cost during the interim period was computed using the pension cost rate determined by the actuary for the ending date of last year and based on the period covering the beginning of the year until the end of the current period. Adjustments are made to address significant market fluctuations and material amendment, repayment or other significant one-time event of the plan, with relevant information disclosed.

4.5 Income tax

Income tax expense is the summary of the current-period income tax and deferred income tax. The income tax in the interim period is assessed based on annual basis and computed using the applicable tax rate for the expected annual gross profit and on the earnings before tax during the interim period. The effect of changes in tax rates due to the amendment of the Tax Act during the interim period is recognized in the period in which it occurs, consistent with the accounting principle for transactions that give rise to tax consequences.

5. Major Sources of Critical Accounting Judgments, Estimates and Uncertainties

The major sources of critical accounting judgments, estimates and uncertainties adopted by the Consolidated Financial Statements do not have material change from those of the 2023 annual consolidated financial statements. Please refer to Note 5 of the 2023 annual consolidated financial statements for related information.

6. Description of Significant Accounts

6.1 Cash and cash equivalents

Item	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and petty cash	$ 1, 275	$ 1, 328	$ 1, 481
Checking account	29, 623	82, 799	26, 613
Demand deposits	51, 850	49, 801	53, 152
Time deposits with original maturities within 3 months	–	10, 755	11, 037
Total	$ 82, 748	$ 144, 683	$ 92, 283

1. The Group does not have cash and cash equivalents pledged to others.
2. As of September 30, 2024, December 31, 2023 and September 30, 2023, the range of market interest rates for the Group's time deposits with original maturities within 3 months were 0%, 1.55% ~ 1.755%, and 1.55% ~ 1.755%.

6.2 FVTPL financial assets - current

Item	September 30, 2024	December 31, 2023	September 30, 2023
Mandatorily measured at FVTPL			
Listed stocks	$ 818, 465	$ 721, 420	$ 630, 393
Derivatives - FX Swap Contract	–	–	1, 068
Total	$ 818, 465	$ 721, 420	$ 631, 461

1. Regarding details for the financial assets mandatorily measured at FVTPL (not including derivative instruments), please refer to Note 13.1, .2-3.
2. The net (loss) gain (not including derivative instruments) recorded in profit or loss for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were $5,969 thousand, $23,387 thousand, $109,388 thousand and ($66,711) thousand, respectively.

3. The purpose for the Group to engage in transactions in derivative instruments is to avoid risks on foreign-currency assets or liabilities due to exchange fluctuations, however, without adopting hedge accounting. As of September 30, 2024, December 31, 2023 and September 30, 2023, the existing contract assets (liabilities) for the derivative instruments are as following:

Financial Instrument	Buy/Sell Currency	Contract Amount	Fair Value	Contract Period Until Expiration
(1)September 30, 2024:	None.			
(2) December 31, 2023：				
FX Swap Contract	USD/NTD	USD 1,611/NTD 49,785	($ 384)	2024.1.8～2024.1.18
(3) September 30, 2023				
FX Swap Contract	USD/NTD	USD 3,850/NTD 122,995	$ 1,068	2023.10.4～2023.10.30

The recorded net gain (loss) for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 due to the Group's engagement in derivative contractual transactions were $2,116 thousand, $1,068 thousand, $9,374 thousand and $2,861 thousand, respectively.

4. The Group does not have FVTPL financial assets - current pledged to others.

6.3 Notes receivable

Item	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	$ 62, 683	$ 102, 957	$ 112, 311
Less：Allowance for losses	–	–	–
Net amount	$ 62, 683	$ 102, 957	$ 112, 311

1. All of the Group's notes receivable are not overdue; the expected rate of credit loss is 0%.
2. The Group does not have notes receivable pledged to others.

6.4 Accounts receivable (including related parties)

Item	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	$ 1, 269, 986	$ 1, 227, 358	$ 1, 092, 931
Less: Allowance for losses	−	−	−
Subtotal	1, 269, 986	1, 227, 358	1, 092, 931
Accounts receivable - related parties	7, 233	25, 738	31, 373
Less: Allowance for losses	−	−	−
Subtotal	7, 233	25, 738	31, 373
Net amount	$ 1, 277, 219	$ 1, 253, 096	$ 1, 124, 304

1. The aging analysis of accounts receivable (including related parties) and the allowance for losses based on the provision matrix were as follows:

	September 30, 2024			December 31, 2023		
Aging	Total amount	Allowance for losses	Net amount	Total amount	Allowance for losses	Net amount
Not overdue	$1, 275, 759	$ −	$1, 275, 759	$1, 246, 815	$ −	$1, 246, 815
Overdue 1 ~ 30 days	1, 460	−	1, 460	3, 142	−	3, 142
Overdue 31 ~ 90 days	−	−	−	865	−	865
Overdue 91 ~ 180 days	−	−	−	2, 274	−	2, 274
Overdue 181 ~ 365 days	−	−	−	−	−	−
Overdue over 365 days	−	−	−	−	−	−
Total	$1, 277, 219	$ −	$1, 277, 219	$1, 253, 096	$ −	$1, 253, 096

	September 30, 2023		
Aging	Total amount	Allowance for losses	Net amount
Not overdue	$1, 105, 593	$ −	$1, 105, 593
Overdue 1 ~ 30 days	16, 628	−	16, 628
Overdue 31 ~ 90 days	1, 752	−	1, 752
Overdue 91 ~ 180 days	300	−	300
Overdue 181 ~ 365 days	31	−	31
Overdue over 365 days	−	−	−
Total	$1, 124, 304	$ −	$1, 124, 304

The above analysis is based on the number of days overdue.

The expected rate of credit loss for the above respective account aging intervals (excluding abnormal receivables that are recognized 100%), Not overdue and Overdue within 90 days：0% ~ 5%, Overdue 91 ~ 365 days：25% ~ 50%, Overdue 365 or more days ： 100%. The risk of expected credit loss for the Group’s non-overdue accounts receivable is very low. For the part of overdue accounts receivable as of the balance sheet date, after considering other credit enhancing guarantees, subsequent receipts and offset conditions and other reasonable and verifiable information, the Group determines that there is no material change in the credit quality, and there is also no significant increase in credit risk after initial recognition. Therefore, the Group’s management expects that such accounts receivable are not subjected to material credit loss due to default from the transaction parties. Therefore, allowance for losses was not adjusted.

2. The Group adopts the simplified method in applying IFRS 9 and recognizes allowance for the uncollectable accounts based on the expected credit loss during the existing period. The expected credit loss during the existing period is computed using provision matrix, after considering the customer’s past defaulted records, history of past receipts, condition of increase in deferred payments that exceed the average credit period, the customer’s present financial condition, and changes and prospective of observable country-wide or regional economic conditions and other prospective considerations. Since the Group’s past credit loss experience shows that there was no significant difference in the types of loss among the different groups of customers, the provision matrix does not further distinguish these customer groups but only sets the expected rate of credit loss based on number of overdue days of the accounts receivable and actual conditions. The Group does not hold any collateral for the accounts receivable.

   If there is evidence shows that the transaction party has severe financial difficulties, and the Group could not be reasonably expected to recover the amounts, the Group would recognize 100% loss allowance or direct write off of the related accounts receivable. However, the Group would still continue the collection activities, and any recovered amount is recorded in profit or loss.

3. Analysis information for changes in recorded loss allowances on accounts receivable (including related parties): None.

4. The Group does not have accounts receivable (including related parties) pledged to others.

6.5 Other receivables

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Interest receivable	$	–	$	153	$	110
Dividend receivable		2, 331		–		–
Tax refund receivable		22, 858		8, 921		9, 322
Discount receivable		1, 052		–		–
Government grants receivable		–		470		450
Others		1, 791		1, 499		2, 043
Total	$	28, 032	$	11, 043	$	11, 925

6.6 Inventories

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Raw materials	$	510, 504	$	373, 149	$	145, 483
Supplies		117, 820		104, 577		108, 003
Work in process		102, 324		151, 964		104, 459
Finished goods		1, 266, 286		971, 603		1, 228, 854
Finished goods purchased from outside		30, 983		21, 683		16, 978
In-transit raw materials		48, 132		167, 593		40, 089
Total	$	2, 076, 049	$	1, 790, 569	$	1, 643, 866

1. The cost of goods sold related to inventories is summarized below:

Item	2024.7.1 ~ 9.30	2023.7.1 ~ 9.30	2024.1.1 ~ 9.30	2023.1.1 ~9.30
Cost of goods sold	$ 2, 299, 882	$ 1, 977, 518	$ 6, 985, 774	$ 5, 403, 268
Plus: Outsourced processing costs	243	1, 004	632	1, 017
Plus: Unallocated labor and overheads	43, 609	90, 187	156, 375	322, 620
Plus: Loss on scrapping of inventories	1, 778	35	1, 778	173
Plus: Loss from price decline of inventories	14, 912	–	14, 912	–
Plus: Loss on inventory counts, net	2	7	7	7
Less: Net realizable value recovery of inventory	–	(45, 778)	–	(45, 778)
Less: Scrap sales	(5, 359)	(6, 957)	(18, 451)	(14, 956)
Operating costs recorded	$ 2, 355, 067	$ 2, 016, 016	$ 7, 141, 027	$ 5, 666, 351

2. For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the Group recorded $14,912 thousand, ($45,778) thousand, $14,912 thousand and ($45,778) thousand of loss from price decline (gain

from price recovery) on net realizable value of inventories, respectively. The gains from price recover mainly arise from sales price recovery or consumption of sluggish stock, while losses from price decline mainly arise from sales price decline or addition of sluggish stocks.

3. The Group does not have inventories pledged to others.

6.7 Prepayments

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Prepayments for materials	$	27, 208	$	29, 582	$	10, 937
Prepaid insurance		4, 115		937		3, 199
Office supplies		269		231		246
Input VAT		15, 712		9, 513		9, 064
Excess sales tax paid		939		258		87
Others		3, 262		1, 881		5, 424
Total	$	51, 505	$	42, 402	$	28, 957

6.8 Other current assets - other

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Material lending to counterparties	$	–	$	22, 228	$	–

Raw materials were borrowed from the Group by counterparties for the purpose of production scheduling and a borrowing contract was signed. The materials have been returned by the end of June, 2024.

6.9 FVTOCI financial assets – noncurrent

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Domestic unlisted stocks						
Lilyent Corp.	$	28, 812	$	28, 812	$	28, 812
Yen Hsing Textile Co., Ltd.		51, 670		51, 670		51, 670
Yi Tong Fiber Co., Ltd.		13, 093		13, 093		13, 093
Chu Sing Industrial Co., Ltd.		700		700		700
Ability Asia Capital Corp.		16, 000		16, 000		16, 000
Domestic limited partnership						
Ability Asia Capital II		18, 100		16, 480		16, 990
Outstanding Transformation Growth Limited Partnership						
Subtotal		128, 375		126, 755		127, 265
Plus: Valuation adjustment		53, 346		54, 071		45, 057
Net amount	$	181, 721	$	180, 826	$	172, 322

1. The Group's above investments are not held for short-term profit. The management thinks that if fluctuations in short-term fair value of such investments are recorded in profit or loss, the accounting treatment would not be consistent with the investment planning. Therefore, it is determined that these investments are designated as measured at FVTOCI.

2. The limited partnerships invested by the Group before June 30, 2023 with expiration, which shall only be extended after the resolution of the partners, are subjected to not apply the retrospective arising from IFRS Q&A Guidance "Classification of Financial Assets of Limited Partnership Investment" announced by Financial Supervisory Commission at June 15, 2023 and remain to be classified as equity instrument at FVTOCI.

3. Using May 4, 2023 as the base date, Yen Hsing Textile Co., Ltd. reduced its capital by cash and cancelled 14,984 thousand shares of its common shares, totaled $149,838 thousand, with capital reduction rate of 30%. 2,096 thousand shares held by the Group were cancelled due to the capital reduction, and the returned capital was $20,956 thousand.

4. Ability Asia Capital Corp. conducted a capital increase by way of transfer of surplus on May 21, 2024, and the Group was allotted 48,000 shares.
5. The equity of Ability Asia Capital II Outstanding Transformation Growth Limited Partnership has a capital distribution of $629 thousand, $478 thousand, $1,273 thousand and $510 thousand on April 1, 2024, July 17, 2024, July 18, 2024 and November 22, 2023 respectively, in accordance with the contractual agreement. The Group made respectively $4,000 thousand and $4,000 thousand of new investments in the limited partnership for the nine months ended September 30, 2024 and for the year ended December 31, 2023. The total investment amount is estimated to be $40,000 thousand, accounting for 1.58% of the total amount raised.
6. The Group sold 943 thousand shares of Ability I Venture Capital Corp. in May 2023 for $6,111 thousand in total (securities transaction tax extracted). In addition, $3,318 thousand of accumulated gains or losses were transferred directly to retained earnings as a result of the disposal of investments.
7. The Group's investments in structural individual entities are limited partnership equity interests in nature, therefore, there was no transaction quantity or unit transaction price. In addition, the Group only bears the rights and obligations to the extent of the scope of investment contracts and does not have significant influence

over those investments. Therefore, the largest risk exposure amounts as of the balance sheet date were the book value of those investments.

8. For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the net gain (loss) due to fair-value fluctuations was ($11,591) thousand, ($14,794) thousand, ($725) thousand and $101 thousand respectively, and was recorded in other comprehensive income and accumulated in other equity. The amount directly transferred to retained earnings from accumulated profit or loss from disposal of investments were $0, $0, $0 and ($3,318) thousand, respectively.
9. None of the Group's held FVTOCI financial assets - noncurrent is offered as collateral or pledged to others.

6.10 Investments accounted for using the equity method

1. Invested subsidiaries/Subsidiaries not included in Consolidated Financial Statements

	September 30, 2024		December 31, 2023		September 30, 2023	
Subsidiaries	Book value	Holding %	Book value	Holding %	Book value	Holding %
ZIS Holding Co., Ltd.	$ –	100%	$ –	100%	$ –	100%

2. ZIS Holding Co., Ltd. is the Group's 100% foreign investee company. The Group invested 5,400 thousand shares of the company at USD1.00 per share, totaled USD5,400 thousand. The investment had been approved by the Investment Commission, MOEA with Jing-Shen-Er-Zi No. 091018941 Letter on August 1, 2002.
3. None of investments under equity method held by the Group were pledged to others.
4. Regarding the business nature, main operating locations, country of business registration of the above subsidiaries and their investments in Mainland China, please refer to Note 13.1, .2-10, and Note 13.3.
5. The Group's invested subsidiary, ZIS Holding Co., Ltd., mainly conducts investments in various businesses other than Taiwan region according to instructions by management policies of the parent company. As of September 30, 2024, December 31, 2023 and September 30, 2023, the total assets, total liability and total equity of the Group's invested subsidiary, ZIS Holding Co., Ltd., were all zero, and the subsidiary did not have any income, expenses or losses during the above periods. Therefore, the subsidiary is not included as a component entity in the Consolidated Financial Statements.

6.11 Property, plant and equipment

Item	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ 1, 786, 837	$ 1, 786, 837	$ 1, 786, 837
Buildings	3, 016, 449	3, 001, 510	2, 998, 225
Machinery	9, 163, 001	9, 128, 307	9, 151, 470
Transportation equipment	80, 692	80, 884	80, 884
Other equipment	354, 255	353, 320	353, 754
Equipment to be inspected and construction in progress	553, 054	502, 155	402, 880
Total cost	14, 954, 288	14, 853, 013	14, 774, 050
Less: Accumulated depreciation	(10, 324, 149)	(10, 095, 485)	(10, 047, 269)
Less: Accumulated impairment	−	−	(2, 175)
Net amount	$ 4, 630, 139	$ 4, 757, 528	$ 4, 724, 606

Item	Land	Buildings	Machinery	Transportation equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost：							
2024.1.1. Balance	$1, 786, 837	$3, 001, 510	$ 9, 128, 307	$ 80, 884	$ 353, 320	$ 502, 155	$14, 853, 013
Additions	−	8, 800	10, 399	450	2, 043	70, 625	92, 317
Disposals	−	−	(9, 454)	(642)	(1, 108)	−	(11, 204)
Reclassification (Note)	−	6, 139	33, 749	−	−	(19, 726)	20, 162
2024.9.30. Balance	$1, 786, 837	$3, 016, 449	$ 9, 163, 001	$ 80, 692	$ 354, 255	$ 553, 054	$14, 954, 288
Accumulated depreciation and impairment：							
2024.1.1. Balance	$ −	$1, 801, 983	$ 7, 990, 020	$ 76, 920	$ 226, 562	$ −	$10, 095, 485
Depreciation expense	−	65, 749	161, 964	1, 227	10, 912	−	239, 852
Disposals	−	−	(9, 454)	(642)	(1, 092)	−	(11, 188)
Reclassification	−	−	−	−	−	−	−
2024.9.30. Balance	$ −	$1, 867, 732	$ 8, 142, 530	$ 77, 505	$ 236, 382	$ −	$10, 324, 149

Item	Land	Buildings	Machinery	Transportation equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost：							
2023.1.1. Balance	$1, 786, 837	$2, 996, 662	$ 9, 305, 352	$ 80, 754	$ 340, 391	$ 81, 331	$14, 591, 327
Additions	−	2, 153	75, 164	130	6, 367	242, 138	325, 952
Disposals	−	(3, 400)	(241, 573)	−	(8, 015)	−	(252, 988)
Reclassification (Note)	−	2, 810	12, 527	−	15, 011	79, 411	109, 759
2023.9.30. Balance	$1, 786, 837	$2, 998, 225	$ 9, 151, 470	$ 80, 884	$ 353, 754	$ 402, 880	$14, 774, 050
Accumulated depreciation and impairment：							
2023.1.1. Balance	$ −	$1, 715, 216	$ 8, 030, 640	$ 75, 102	$ 222, 689	$ −	$10, 043, 647
Depreciation expense	−	67, 907	177, 973	1, 381	11, 344	−	258, 605
Disposals	−	(3, 400)	(241, 394)	−	(8, 014)	−	(252, 808)
Reclassification	−	−	−	−	−	−	−
2023.9.30. Balance	$ −	$1, 779, 723	$ 7, 967, 219	$ 76, 483	$ 226, 019	$ −	$10, 049, 444

Note: The net increase from reclassifications of inventories for the nine months ended September 30, 2024 and 2023 were $3,737 thousand and $41,780 thousand, respectively; reclassifications from prepayments for machinery were $1,480 thousand and $0, respectively; reclassifications from prepayments for equipment were $17,770 thousand and $69,777 thousand, respectively; reclassifications to intangible assets were $0 and $1,798 thousand, respectively; reclassifications to maintenance fee were $550 thousand and $0; reclassifications to miscellaneous expenses were $2,275 thousand and $0.

1. The Group’s property, plant and equipment are mainly for self-use.
2. Additions during the period include non-cash items, its reconciliations with the acquisition of property, plant and equipment in the statement of cash flows are as follows:

Item	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Increase in property, plant and equipment	$ 92, 317	$ 325, 952
Plus：Decrease (increase) in payables for equipment	43, 509	(12, 550)
Cash payment	$ 135, 826	$ 313, 402

3. The amount and interest rate range of capitalized borrowing cost and interest interval of property, plant and equipment:

Item	2024.7.1 ~ 9.30	2023.7.1 ~ 9.30	2024.1.1 ~ 9.30	2023.1.1 ~9.30
Capitalization amount	$ 1, 741	$ 3, 338	$ 5, 140	$ 3, 338
Capitalization interest rate range	1. 95%	1. 91%	1. 95%	1. 91%

4. Material components of property, plant and equipment are depreciated at straight-line method based on the following useful lives:

(1) Buildings

Main factory buildings	20～60 years	Warehouses and dorms	10～60 years
Auxiliary buildings	5～60 years	Electric water purification equip.	9～40 years
Others	5～50 years		

(2) Machinery

Manufacturing equip.	5～25 years	Auxiliary manufacturing equip.	3～21 years
Electric power equip.	8～18 years	Air conditioner and boilers	5～16 years
Auto-storage equip.	9～16 years		

(3) Transportation equipment

For manufacturing	6～18 years	For non-manufacturing	5～11 years

(4) Other equipment

Office equipment	3～21 years	Others	7～25 years

5. Since part of the Group's machinery could not be utilized to its full capacity, the expected future cash flows from the manufacturing machinery are reduced, which led to its recoverable amount smaller than its book value. After careful assessment by the Group, as of September 30, 2024, December 31, 2023 and September 30, 2023, the Group recorded $0, $0 and $2,175 thousand of accumulated impairment loss on property, plant and equipment, respectively.

6. Please refer to Note 8 for information on property, plant and equipment held by the Group which were pledged to others.

6.12 Lease agreements

1. Right-of-use assets

Item	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	$ 81, 765	$ 80, 532	$ 80, 450
Machinery	94, 718	93, 816	93, 816
Total cost	176, 483	174, 348	174, 266
Less: Accumulated depreciation	(73, 924)	(64, 005)	(60, 815)
Less: Accumulated impairment	–	–	–
Net amount	$ 102, 559	$ 110, 343	$ 113, 451

Item	Buildings	Machinery	Total
Cost：			
2024.1.1. Balance	$ 80, 532	$ 93, 816	$ 174, 348
Addition/Remeasurement	1, 100	902	2, 002
Disposal/Write-offs	–	–	–
Foreign exchange effect	133	–	133
2024.9.30. Balance	$ 81, 765	$ 94, 718	$ 176, 483
Accumulated depreciation and impairment：			
2024.1.1. Balance	$ 29, 596	$ 34, 409	$ 64, 005
Depreciation expense	4, 852	4, 956	9, 808
Disposal/Write-offs	–	–	–
Foreign exchange effect	111	–	111
2024.9.30. Balance	$ 34, 559	$ 39, 365	$ 73, 924

Item	Buildings	Machinery	Total
Cost：			
2023.1.1. Balance	$ 79, 506	$ 34, 868	$ 114, 374
Addition/Remeasurement	945	58, 948	59, 893
Disposal/Write-offs	−	−	−
Foreign exchange effect	(1)	−	(1)
2023.9.30. Balance	$ 80, 450	$ 93, 816	$ 174, 266
Accumulated depreciation and impairment：			
2023.1.1. Balance	$ 23, 308	$ 27, 827	$ 51, 135
Depreciation expense	4, 732	4, 947	9, 679
Disposal/Write-offs	−	−	−
Foreign exchange effect	1	−	1
2023.9.30. Balance	$ 28, 041	$ 32, 774	$ 60, 815

2. Lease liabilities

	September 30, 2024		December 31, 2023		September 30, 2023	
Item	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Buildings	$ 4, 811	$ 42, 722	$ 5, 969	$ 46, 528	$ 4, 721	$ 47, 851
Machinery	6, 879	50, 116	6, 679	53, 995	6, 648	55, 525
Total	$ 11, 690	$ 92, 838	$ 12, 648	$100, 523	$ 11, 369	$103, 376

Item	Buildings	Machinery	Total
Lease liabilities：			
2024.1.1. Balance	$ 52, 497	$ 60, 674	$ 113, 171
Addition/Remeasurement	1, 100	902	2, 002
Disposal/Write-offs	−	−	−
Lease principal repayment	(6, 086)	(4, 581)	(10, 667)
Foreign exchange effect	22	−	22
2024.9.30. Balance	$ 47, 533	$ 56, 995	$ 104, 528

Item	Buildings	Machinery	Total
Lease liabilities：			
2023.1.1. Balance	$ 57, 613	$ 7, 775	$ 65, 388
Addition/Remeasurement	945	58, 948	59, 893
Disposal/Write-offs	－	－	－
Lease principal repayment	(5, 984)	(4, 550)	(10, 534)
Foreign exchange effect	(2)	－	(2)
2023.9.30. Balance	$ 52, 572	$ 62, 173	$ 114, 745

(1) Lease periods and range of discount rates for lease liabilities are shown as below:

Item	Expected lease period (including renewal rights)	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	3～15 years	0. 62%～1. 61%	0. 62%～1. 61%	0. 62%～1. 61%
Machinery	5～10 years	2. 07%	2. 07%	2. 07%

(2) Maturity analysis for the Group's lease liabilities:

Item	September 30, 2024	December 31, 2023	September 30, 2023
Within 1 year	$ 13, 478	$ 14, 569	$ 13, 341
Over 1 year but within 5 years	51, 588	51, 296	51, 421
Over 5 years but within 10 years	48, 054	57, 271	59, 086
Over 10 years but within 15 years	－	－	1, 381
Over 15 years but within 20 years	－	－	－
Over 20 years	－	－	－
Undiscounted total lease payments	$ 113, 120	$ 123, 136	$ 125, 229

3. Material leasing activities and terms

(1) The Group leases buildings, machinery equipment and transportation equipment, etc. Upon termination of the leases, the Group does not have favorable renewal rights toward the target leased assets. Part of the leases are attached with renewal rights upon maturities. Lease contracts are individually negotiated with different terms and conditions, and the lease payments for part of lease contracts may be adjusted according to Consumer Price Index. Except that the leased targets shall not be used as collaterals for borrowings, without consent from the lessors, the Group shall not sublease or transfer all or part of the leased targets. No other restriction applies.

(2) Option to extend leases

Part of the lease targets in the Group's lease contract contain enforceable option for the Group to extend the leases. Such clauses are general practices of the lessors to enable the Group to have more flexibility in business operations and use the assets more efficiently. When the Group determines the lease periods, all facts and situations of economic incentives generated from exercising the right to extend the leases are considered. When events occurred which materially affect the assessment on the enforcement of extension option or non-exercising of the termination option, the lease periods would be re-estimated.

4. Sublease：None.

5. Other relevant information on leases

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, based on the operating lease contracts, the Group recorded rental income of $17,699 thousand, $16,540 thousand, $50,969 thousand and $39,524 thousand, respectively, none of which was gain from variable lease payments.

Regarding the Group's agreements for leasing out investment properties under operating lease, please refer to Note 6.13-7.

(1) Income and loss items related to lease contracts:

Item	2024.7.1 ~ 9.30	2023.7.1 ~ 9.30	2024.1.1 ~ 9.30	2023.1.1 ~9.30
Short-term lease expense	$ －	$ 167	$ －	$ 482
Low-value-assets lease expense	－	－	－	－
Expense on variable lease payments	－	－	－	－
Total	$ －	$ 167	$ －	$ 482
Interest expense on lease liabilities	$ 480	$ 528	$ 1, 463	$ 1, 499
Gain (loss) generated from sale and leaseback transactions	$ －	$ －	$ －	$ －
Gain (loss) generated from amendment of lease transactions	$ －	$ －	$ －	$ －

The Group chooses to adopt exemption treatment for recording short-term leases and low-value-assets liabilities that meet the criteria and does not record right-of-use assets and lease liabilities for these leases.

(2) For the nine months ended September 30, 2024 and 2023, the total cash outflows were $12,130 thousand and $12,515 thousand, respectively.

(3) After careful assessment on the right-of-use assets, no right-of-use assets were impaired.

(4) No right-of-use assets held by the Group were pledged to others.

6.13 Investment properties

Item	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ 583, 429	$ 583, 429	$ 583, 429
Land improvements	432, 779	429, 483	429, 483
Investment properties under construction	327, 640	190, 859	176, 781
Subtotal	1, 343, 848	1, 203, 771	1, 189, 693
Less: Accumulated depreciation	(378, 413)	(373, 280)	(371, 715)
Less: Accumulated impairment	–	–	–
Net amount	$ 965, 435	$ 830, 491	$ 817, 978

Item	Land	Land improvements	Investment properties under construction	Total
Cost：				
2024.1.1. Balance	$ 583, 429	$ 429, 483	$ 190, 859	$ 1, 203, 771
Additions	–	(1, 380)	141, 457	140, 077
Disposals	–	–	–	–
Reclassification	–	4, 676	(4, 676)	–
2024.9.30. Balance	$ 583, 429	$ 432, 779	$ 327, 640	$ 1, 343, 848
Accumulated depreciation and impairment：				
2024.1.1. Balance	$ –	$ 373, 280	$ –	$ 373, 280
Depreciation expense	–	5, 133	–	5, 133
Disposals	–	–	–	–
Reclassification	–	–	–	–
2024.9.30. Balance	$ –	$ 378, 413	$ –	$ 378, 413

Item	Land	Land improvements	Investment properties under construction	Total
Cost：				
2023.1.1. Balance	$ 583, 429	$ 418, 966	$ 59, 475	$ 1, 061, 870
Additions	−	10, 517	117, 306	127, 823
Disposals	−	−	−	−
Reclassification	−	−	−	−
2023.9.30. Balance	$ 583, 429	$ 429, 483	$ 176, 781	$ 1, 189, 693
Accumulated depreciation and impairment：				
2023.1.1. Balance	$ −	$ 367, 290	$ −	$ 367, 290
Depreciation expense	−	4, 425	−	4, 425
Disposals	−	−	−	−
Reclassification	−	−	−	−
2023.9.30. Balance	$ −	$ 371, 715	$ −	$ 371, 715

1. Additions in this period include non-cash items, its reconciliations with the acquisition of investment properties on the statements of cash flows are shown as follows：

Item	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Increase in investment properties	$ 140, 077	$ 127, 823
Less: Increase in payables for investment properties	(14, 445)	(127)
Cash payment amount	$ 125, 632	$ 127, 696

2. Amount and interest rate range of capitalized borrowing cost of investment properties:

Item	2024.7.1 ~ 9.30	2023.7.1 ~ 9.30	2024.1.1 ~ 9.30	2023.1.1 ~9.30
Capitalization amount	$ 1, 427	$ 1, 851	$ 3, 419	$ 1, 851
Capitalization interest rate range	1. 95%	1. 91%	1. 95%	1. 91%

3. Rental income from investment properties and direct operating expenses arising from investment property are shown below:

Item	2024.7.1 ~ 9.30	2023.7.1 ~ 9.30	2024.1.1 ~ 9.30	2023.1.1 ~9.30
Rental income from investment properties	$ 17, 633	$ 16, 482	$ 50, 777	$ 39, 314
Direct operating expenses arising from the investment properties that generated rental income during the period	$ 3, 699	$ 3, 439	$ 10, 961	$ 10, 035
Direct operating expenses arising from the investment properties that did not generate rental income during the period	$ -	$ -	$ -	$ -

4. The Group's investment properties are located at Meishi Section of Yangmei District in Taoyuan City, Chungxing Section of Pingzhen District in Taoyuan City and Beigang Section of Dayuan District in Taoyuan City. Since those sections are located in industrial areas, the transactions in the comparable market are infrequent, and reliable estimates of fair value are not available, the fair value could not be reliably determined.
5. After careful assessment by the Group, the investment properties are not impaired.
6. All investment properties held by the Group were self-owned and not pledged to others.
7. Lease agreements – the Group as lessor

   The lease contract periods of the Group's leased out investment properties (including land, the attached improvements, etc.) range from 3~18 years, upon termination of the leases, the lessors do not have favorable lease rights toward the leased assets. Rents are collected according to the contracts, most of the lease contracts can be renewed according to market prices upon termination of the leases and include clauses which adjust rents according to market environment each year. The minimum collectable amount of total lease payments from the leasing of investment properties under operating leases in the future are as follows:

Item	September 30, 2024	December 31, 2023	September 30, 2023
1st year	$ 66, 468	$ 66, 378	$ 66, 243
2nd year	66, 468	66, 468	66, 468
3rd year	66, 776	66, 468	66, 468
4th year	51, 156	66, 908	66, 776
5th year	19, 476	39, 276	51, 156
Over 5 years	171, 013	185, 620	190, 489
Total	$ 441, 357	$ 491, 118	$ 507, 600

6.14 Intangible assets

Item	September 30, 2024	December 31, 2023	September 30, 2023
Cost of computer software	$ 8, 360	$ 8, 715	$ 8, 281
Less: Accumulated amortization	(5, 838)	(4, 414)	(3, 623)
Less: Accumulated impairment	–	–	–
Net amount	$ 2, 522	$ 4, 301	$ 4, 658

Item	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Cost of computer software：		
Beginning balance	$ 8, 715	$ 5, 915
Addition – from individual	214	1, 292
Disposal / Write-off	(569)	(724)
Reclassification (Note)	–	1, 798
Ending balance	$ 8, 360	$ 8, 281
Accumulated depreciation and impairment：		
Beginning balance	$ 4, 414	$ 2, 232
Amortization expense	1, 993	2, 115
Disposal / Write-off	(569)	(724)
Reclassification	–	–
Ending balance	$ 5, 838	$ 3, 623

Note: Net increased amount in reclassification was transferred from property, plant and equipment.

1. The amount of capitalized borrowing cost and range of interest rates of intangible assets: None
2. The Group's intangible assets are amortized at straight-line method based on the following useful life:

   Computer software 3 years

3. After careful assessment by the Group, the Group's intangible assets are not impaired.
4. No intangible assets held by the Group were pledged to others.

6.15 Refundable deposits

Item	September 30, 2024	December 31, 2023	September 30, 2023
Rental deposits – lessee	$ 273	$ 260	$ 317
Deposits for natural gas	10, 216	17, 506	17, 506
Membership deposits	500	500	500
Others	630	113	118
Total	$ 11, 619	$ 18, 379	$ 18, 441

6.16 Other noncurrent assets – other

Item	September 30, 2024	December 31, 2023	September 30, 2023
Long-term prepaid expenses	$ 1, 255	$ 1, 288	$ 1, 652
Pallets	50, 986	45, 646	47, 144
Total	$ 52, 241	$ 46, 934	$ 48, 796

Item	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Other noncurrent assets – other：		
Beginning balance	$ 46, 934	$ 49, 757
Addition–from individual	32, 361	23, 873
Amortization expense	(27, 054)	(24, 834)
Ending balance	$ 52, 241	$ 48, 796

6.17 Short-term borrowings

Item	September 30, 2024	December 31, 2023	September 30, 2023
Credit loans	$ 1, 110, 000	$ 910, 000	$ 840, 000
Interest rates	1. 88%~2. 00%	1. 76%～1. 80%	1. 76%～1. 77%

The Group issued promising notes by the amounts equal to the above loans to the banks as collaterals for the short-term comprehensive credit facility agreements.

6.18 Short-term notes and bills payable

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Commercial paper	$	850, 000	$	580, 000	$	210, 000
Less：Short-term notes and bills payable discount	(	114)	(	91)	(	52)
Net amount	$	849, 886	$	579, 909	$	209, 948
Interest rates		1. 54%~1. 76%		1. 45%～1. 63%		1. 42%～1. 60%

The commercial papers of the Group were issued with guarantees by the security firms or banks, and promising notes by the amounts equal to the loans were issued as collaterals for repayment of the loans.

6.19 Financial liabilities at FVTPL - current

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Mandatorily measured at FVTPL						
Derivatives - FX Swap Contract	$	－	$	384	$	－

Please refer to Note 6.2-3 for details.

6.20 Notes and accounts payable

The recorded notes and accounts payable are mainly from business operations. The Group has an established financial risk management policy for ensuring all payables are repaid within the credit deadlines agreed previously.

6.21 Other payables

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Payroll and bonus payable	$	105, 236	$	112, 264	$	113, 991
Employees compensation payable		1, 438		–		–
Directors' and supervisor's remuneration payable		2, 157		–		–
Interest payable		1, 918		1, 927		1, 681
Insurance payable		16, 168		15, 969		16, 011
Transportation fees payable		4, 257		6, 100		5, 708
Utilities payable		57, 079		44, 277		50, 721
Export fees payable		14, 110		9, 619		11, 034
Professional service fees payable		1, 100		1, 459		1, 070
Taxes payable		11, 645		6, 883		11, 434
Payables for equipment		12, 348		55, 857		40, 888
Payables for investment properties		16, 511		2, 066		331
Others		27, 322		25, 516		24, 523
Total	$	271, 289	$	281, 937	$	277, 392

6.22 Provisions – current

Item	September 30, 2024		December 31, 2023		September 30, 2023	
Employee benefits – paid leaves	$	33, 560	$	28, 988	$	31, 528

1. Provisions for employee benefits – current are estimation of employees' vested rights for paid leaves. In most cases, sick leaves, maternity leaves or paternity leaves are contingent in nature, which are determined by future events and not from accruals. Therefore, such costs are recognized at the time when occurred.

2. Movement in provisions for employee benefits – current:

Item	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Beginning balance	$ 28, 988	$ 27, 905
Addition	21, 827	21, 033
Used amount	(17, 255)	(17, 410)
Reversal amount	–	–
Ending balance	$ 33, 560	$ 31, 528

6.23 Other current liabilities – other

Item	September 30, 2024	December 31, 2023	September 30, 2023
Receipts under custody	$ 1, 236	$ 1, 770	$ 1, 160
Borrowing materials from counterparties (Note)	27, 311	1, 708	–
Total	$ 28, 547	$ 3, 478	$ 1, 160

Note: The Group borrowed materials from counterparties for production scheduling needs in July to August, 2024 and December, 2023. Materials borrowed in 2024 has been returned at the end of October, 2024. Materials borrowed in 2023 has been returned by the end of March, 2024.

6.24 Long-term borrowings

Item	September 30, 2024	December 31, 2023	September 30, 2023
Secured borrowings	$ 1, 200, 000	$ 1, 200, 000	$ 1, 200, 000
Credit borrowings	148, 000	–	–
Subtotal	1, 348, 000	1, 200, 000	1, 200, 000
Less: Portion due within one year	(360, 000)	–	–
Total	$ 988, 000	$ 1, 200, 000	$ 1, 200, 000

1. Information on long-term borrowings is as follows:
   (1) The credit period of this contract is 3 years with a borrowing amount of $1.2 billion, which shall not be revolving. Interest is payable monthly from the date of funding, and 30% of the principal shall be repaid upon the end of the second year from the date of contract, after which the remaining principal shall be repaid in January 2026 at maturity. The credit facility is secured by a pledge of the Group's own land, building and construction, and the average balance of

demand deposits in the bank granting the credit facility should meet the terms of the loan condition. As of September 30, 2024, the Group has received full amount of the borrowing under this credit facility with the effective interest rates ranging from 1.85% to 2.10% per annum.

(2) The credit period of this contract is 5 years with a borrowing amount of $300 million, which shall not be revolving. Interest is payable monthly from the date of funding, with a grace period for the first two years of principal, and the principal is to be repaid in 36 and 29 equal monthly installments beginning in the third year. As of September 30, 2024, the effective interest rates ranges from 1.67% to 1.81% per annum.

2. The Group entered into comprehensive credit facility agreements with various banks and provided IOUs as commitments for repayment of goods. Please refer to Note 8 for the pledge of long-term loans.

3. Please refer to Note 12.3-3-(3) for the maturity analysis of the Group's long-term borrowings.

6.25 Post-employment benefit

Item	September 30, 2024	December 31, 2023	September 30, 2023
Defined benefit plan	$ 38, 503	$ 52, 323	$ 57, 117
Defined contribution plan	5, 416	5, 485	5, 539
Total	$ 43, 919	$ 57, 808	$ 62, 656

1. Defined benefit plan

(1) The Company of the Group have a defined benefit pension plan in accordance with the “Labor Standards Act”, which applies to service years of all full-time employees prior to the effective date of “Labor Pension Act” on July 1, 2005 and to the subsequent service years of the employees who chose to continue to adopt Labor Standards Act after the effective of “Labor Pension Act”. Pension benefits are based on the number of units accrued (within 15 service years, 2 units are given for each year; 1 unit is given for each year over 15 service years, and the overall accrued units is limited to 45) and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2.5% of the employees’ monthly salaries and wages to the pension fund deposited in Bank of Taiwan, the trustee, under the name of the independent pension fund committee. Also, the Company would assess the

balance in the aforementioned labor pension reserve account by the end of each year. If the account balance is not enough to pay the pension to the labors expected to be qualified for retirement in the following year, the Company will make contribution for the deficit by the end of next March.

(2) Since there was no significant market fluctuation, shrinkage, repayment or other significant one-time event after the ending date of the previous financial year, the Company measures and discloses the pension cost for the interim periods using the pension cost determined by actuary as of December 31, 2023 and 2022. Please refer to Note 6.25-1 of the 2023 annual consolidated financial statements for details.

(3) The net amounts of defined benefit pension costs under the above defined benefit plan recognized in profit or loss for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 are $160 thousand, $227 thousand, $480 thousand, and $681 thousand, respectively.

2. Defined contribution plan

(1) The employee pension plan under the "Labor Pension Act" is a defined contribution plan applicable to employees holding R.O.C. citizenship. Pursuant to the plan, to the portion of applicable labor pensions chosen under the Labor Pension Act by the employees, the Company and its domestic subsidiaries make monthly contributions of 6% of each individual employee's salary or wage to employees' pension accounts. The employees' pensions, according to their respective pension accounts and accumulated profit amount, will be paid either in a lump sum amount or paid monthly. That is, no additional statutory or presumed obligation to make additional payment after the Company and its domestic subsidiaries make the fixed amounts of monthly contributions to the Bureau of Labor Insurance.

(2) In accordance with the local government regulations, the Group's overseas subsidiaries pay pension insurance premiums or make pension fund contributions based on the local employees' salaries. The pensions of each employee are organized and managed by the governments, and the overseas subsidiaries does not have further obligation except for making the monthly or annual contributions or payments according to the local government regulations.

(3) The above amounts of pension costs under defined contribution plan recognized in profit or loss for the three months ended September 30, 2024 and 2023, and for the

nine months ended September 30, 2024 and 2023 are $8,135 thousand, $8,304 thousand, $24,523 thousand, and $24,854 thousand, respectively.

6.26 Guarantee deposits received

Item	September 30, 2024	December 31, 2023	September 30, 2023
Rental deposits – rent out	$ 17, 413	$ 16, 560	$ 16, 560
Others	1, 250	850	700
Total	$ 18, 663	$ 17, 410	$ 17, 260

6.27 Share capital

Item	September 30, 2024	December 31, 2023	September 30, 2023
Authorized number of shares (thousands of shares)	800, 000	800, 000	800, 000
Authorized capital	$ 8, 000, 000	$ 8, 000, 000	$ 8, 000, 000
Issued shares with proceeds fully received (thousands of shares)	531, 688	531, 688	531, 688
Raised capital	$ 5, 316, 884	$ 5, 316, 884	$ 5, 316, 884

The par value of each issued common stock is NT$10, each share has 1 voting right and right of receiving dividend.

6.28 Capital surplus

Item	September 30, 2024	December 31, 2023	September 30, 2023
Additional paid-in capital	$ 157, 149	$ 157, 149	$ 157, 149
Surplus from treasury stock transactions	188, 021	188, 021	188, 021
Uncollected overdue dividends by shareholders	1, 376	1, 173	794
Total	$ 346, 546	$ 346, 343	$ 345, 964

Capital surplus may not be used except to offset a deficit. Unless when profit surplus is insufficient to offset loss, a company shall not replenish with capital surplus. However, according to regulation of Article 241 of the Company Act and MOEA with Jing-Shang-Zi No. 10300532520 Letter on March 31, 2014, capital surplus from the issue of stock in excess of par value, the proceeds from the receipt of gifts, and the difference between the actual acquisition or disposal of the Company's stock and its book value may be used to offset a deficit. When the Company does not have an accumulated deficit, new shares or cash may be distributed to shareholders according to their respective shareholding ratios. In addition, in accordance with the Securities and Exchange Act, the aggregate amount of the above capitalization shall not exceed 10% of the paid-in capital each year.

6.29 Retained earnings

1. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.
2. The Company's dividend policy is as follows:
   The Company shall consider changes in business environment, considers future operating funds required from life cycles of various products and services and the effects of tax rules, in the goal of sustaining stable dividend distributions, dividends are distributed according to the set ratios under the Company's Article of Incorporation. After measuring the required funds in future years, profitability, financial structure, and dilution effects on shares, and other factors, the Board of Directors develops an appropriate ratio of dividends in cash and in stocks and submits for approval at the shareholders' meeting. The Company would distribute cash dividends as priority. If there are major investment plans or needs for improving financial structure, part of dividends would be distributed in stocks. In order to avoid over-inflation of share capital and affect the level of dividend distribution in future years, 0%~60% of the Company's distributable current-year earnings are appropriated as dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is limited to the portion in excess of 25% of the Company's paid-in capital.
4. Upon earnings distribution, in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021 and regulations under "Q&A on Recording Special Reserve after Adopting IFRSs", the Company shall set aside or reverse special reserve. When the net deduction item on other equity later is reversed, the reversed amount could be included in the distributable earnings.

5. The appropriations of 2023 and 2022 earnings have been approved by the board of directors and the shareholders’ meetings on June 6, 2024 and June 9, 2023, respectively. The appropriations and dividends per share were as follows：

Distribution item	Appropriation of Earnings		Dividends Per Share(NT$)	
	For Fiscal Year 2023	For Fiscal Year 2022	For Fiscal Year 2023	For Fiscal Year 2022
Set aside legal reserve	$ –	$ –	$ –	$ –
Set aside (reverse) special reserve	–	–	–	–
Cash dividends	–	–	–	–
Stock dividends	–	–	–	–

(1) On June 9, 2023, the shareholders’ annual meeting passed a resolution to distribute cash from capital surplus ($0.1 per common share), totaled $53,169 thousand.

(2) On June 6, 2024, the shareholders resolved to offset the deficit with legal reserve of $73,037 thousand.

Information on the resolution of the board of directors' and shareholders' meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

6.30 Other equity item

Item	Exchange differences from translation of foreign operations	Unrealized gains or losses for financial assets measured at FVTOCI	Total
2024.1.1. Balance	($ 967)	$ 54, 071	$ 53, 104
Directly recognized as other equity adjustment items	927	(725)	202
Transferred to profit or loss item	–	–	–
Transferred to retained earnings	–	–	–
Shares recognized under equity method	–	–	–
Income tax related to other equity items	–	–	–
2024.9.30. Balance	($ 40)	$ 53, 346	$ 53, 306

Item	Exchange differences from translation of foreign operations	Unrealized gains or losses for financial assets measured at FVTOCI	Total
2023.1.1. Balance	($ 424)	$ 41, 638	$ 41, 214
Directly recognized as other equity adjustment items	(252)	101	(151)
Transferred to profit or loss item	–	–	–
Transferred to retained earnings	–	3, 318	3, 318
Shares recognized under equity method	–	–	–
Income tax related to other equity items	–	–	–
2023.9.30. Balance	($ 676)	$ 45, 057	$ 44, 381

The exchange differences generated from translating the functional currencies of net assets of the foreign operations to the reporting currency of the Group (that is, NTD) are directly recognized as exchange differences from translation of foreign operations in other comprehensive income or loss.

6.31 Operating revenue

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Revenue from contracts with customers				
Sales revenue	$2, 375, 654	$1, 924, 360	$7, 317, 072	$5, 462, 638
Service revenue	374	697	1, 034	715
Total	$2, 376, 028	$1, 925, 057	$7, 318, 106	$5, 463, 353

1. Breakdown of revenue from contracts with customers

   The Group's revenue comes from transfer of goods or services at certain points of time. The revenue can be broken down into the following major types of goods and services:

Major types of goods and services	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Sales revenue				
Textured yarn	$ 777, 219	$ 601, 238	$2, 216, 956	$1, 686, 093
Polyester yarn	2, 710	2, 277	7, 367	7, 176
Nylon fiber	216, 956	285, 355	677, 640	792, 480
Nylon chips	1, 186, 069	906, 812	3, 873, 056	2, 604, 621
Compound materials	160, 407	128, 678	477, 937	371, 310
Hallow fiber membranes	748	–	5, 836	–
Trading of raw materials	1, 090	–	2, 162	958
Test run income	30, 455	–	56, 118	–
Subtotal	2, 375, 654	1, 924, 360	7, 317, 072	5, 462, 638
Service revenue				
Revenue from outsourced manufacturing	374	697	1, 034	715
Subtotal	374	697	1, 034	715
Total	$2, 376, 028	$1, 925, 057	$7, 318, 106	$5, 463, 353

2. Contract balance

The contractual assets and liabilities for the recorded revenue from contracts with customers are as follows：

Item	September 30, 2024	December 31, 2023	September 30, 2023
Contractual assets: None			
Contractual liabilities – current			
Sale of goods	$ 32, 254	$ 31, 223	$ 46, 332

(1) Material changes in contractual assets and liabilities

Changes in contract liabilities of the Group as of September 30, 2024 compared to those by the end of last year and to the comparable period last year mainly come from timing differences when the contractual obligations are fulfilled and when the customers make the payment.

(2) Beginning contractual liabilities that are recorded as revenue in this period

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Beginning balance of contractual liabilities that are recorded as revenue in this period				
Sale of goods	$ －	$ 5, 541	$ 24, 746	$ 58, 379

(3) Fulfilled contractual obligations in the previous period but with the related revenue recorded in this period

For the nine months ended September 30, 2024 and 2023, the Group did not have contractual obligations that were fulfilled (or partially fulfilled) in the previous period. Nor there was any adjustment made to the recorded current-period revenue due to changes in the transaction prices or restrictions in recording variable consideration.

(4) Unfulfilled contracts with customers

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group does not have any unfulfilled sales contracts with customers, the expected remaining periods for the existing contracts are within one year and are expected to be fulfilled and recognized as revenue within one year.

3. Assets related to contractual costs：None.

6.32 Interest income

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Interest on bank deposits	$ 23	$ 56	$ 266	$ 292
Other interest income	–	–	176	–
Total	$ 23	$ 56	$ 442	$ 292

6.33 Other income

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Dividend income	$ 7, 716	$ 2, 743	$ 35, 885	$ 140, 683
Rental income	17, 699	16, 540	50, 969	39, 524
Subsidies income	–	–	–	554
Income from scrap sales	3, 187	2, 372	9, 337	8, 921
Income from sample sales	1, 306	1, 631	3, 940	4, 122
Income from recovery of packaging materials	1, 070	632	3, 572	1, 951
Income from sale of renewable energy	7, 027	7, 318	14, 827	16, 823
Income from development of hallow fiber membranes	–	7, 437	–	23, 515
Others	631	1, 200	1, 368	1, 996
Total	$ 38, 636	$ 39, 873	$ 119, 898	$ 238, 089

6.34 Other gains and losses

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Net gains (losses) on financial and assets and liabilities at FVTPL	($ 14, 056)	$ 24, 448	$ 123, 724	($ 60, 853)
Net gains (losses) on disposal of property, plant and equipment	(2)	(180)	(16)	(180)
Net gains (losses) on disposal of investments	19, 253	7	(14, 336)	(4, 790)
Net non-financial foreign currency exchange gains (losses)	(20, 842)	20, 243	27, 012	30, 573
Direct operating expenses of investment properties	(3, 699)	(3, 439)	(10, 961)	(10, 035)
Depreciation of renewable energy equipment	(1, 499)	(1, 495)	(4, 494)	(4, 361)
Others	(4, 198)	(6)	(4, 419)	(181)
Total	($ 25, 043)	$ 39, 578	$ 116, 510	($ 49, 827)

6.35 Finance cost

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Interest expense				
Interest on borrowings from financial institutions	$ 17, 639	$ 10, 483	$ 47, 164	$ 28, 742
Imputed interest on deposits	70	61	202	220
Interest on lease liabilities	480	528	1, 463	1, 499
Less: Capitalized amount that meet the requirements (Note)	(3, 205)	(5, 403)	(8, 606)	(5, 403)
Subtotal	14, 984	5, 669	40, 223	25, 058
Fees related to issuing CP	550	29	1, 010	317
Net financial foreign currency exchange (gains) losses	(3, 995)	(386)	(15, 224)	(2, 045)
Total	$ 11, 539	$ 5, 312	$ 26, 009	$ 23, 330

Note:

1. The capitalized amounts that meet the requirements in January to September, 2024 include $5,140 thousand for reclassified property, plant and equipment, $3,419 thousand for investment properties, and $47 thousand for prepayment for equipment.
2. The capitalized amounts that meet the requirements in January to September, 2023 include $3,338 thousand for reclassified property, plant and equipment, $1,851 thousand for investment properties, and $214 thousand for prepayment for equipment.

6.36 Employee benefits, depreciation and amortization expense

By nature	2024.7.1~ 9.30. Operating costs	2024.7.1~ 9.30. Operating expenses	2024.7.1~ 9.30. Total	2023.7.1~ 9.30. Operating costs	2023.7.1~ 9.30. Operating expenses	2023.7.1~ 9.30. Total
Employee benefits						
Salary	$ 171, 201	$ 27, 748	$ 198, 949	$ 164, 836	$ 32, 054	$ 196, 890
Labor and health insurance	17, 952	2, 598	20, 550	17, 690	2, 917	20, 607
Pension expense	6, 928	1, 367	8, 295	7, 111	1, 420	8, 531
Other benefits	5, 570	(2, 472)	3, 098	6, 874	19	6, 893
Depreciation expense (Note)	74, 775	2, 737	77, 512	82, 719	3, 348	86, 067
Amortization expense	9, 054	520	9, 574	8, 671	696	9, 367
Total	$ 285, 480	$ 32, 498	$ 317, 978	$ 287, 901	$ 40, 454	$ 328, 355

By nature	2024.1.1~ 9.30. Operating costs	2024.1.1~ 9.30. Operating expenses	2024.1.1~ 9.30. Total	2023.1.1~ 9.30. Operating costs	2023.1.1~ 9.30. Operating expenses	2023.1.1~ 9.30. Total
Employee benefits						
Salary	$ 528, 220	$ 89, 154	$ 617, 374	$ 502, 707	$ 98, 197	$ 600, 904
Labor and health insurance	53, 856	9, 116	62, 972	52, 824	10, 103	62, 927
Pension expense	20, 899	4, 104	25, 003	21, 216	4, 319	25, 535
Other benefits	17, 703	7, 734	25, 437	16, 638	3, 523	20, 161
Depreciation expense (Note)	236, 833	8, 333	245, 166	253, 213	10, 710	263, 923
Amortization expense	27, 403	1, 644	29, 047	25, 005	1, 944	26, 949
Total	$ 884, 914	$ 120, 085	$1, 004, 999	$ 871, 603	$ 128, 796	$1, 000, 399

Note：The depreciation expenses for renewable energy equipment (recorded in property, plant and equipment) for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were $1,499 thousand, $1,495 thousand, $4,494 thousand and $4,361 thousand, respectively, and recorded as non-operating income and expenses – other gains and losses ; the depreciation expenses of investment properties for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were $1,748 thousand, $1,563 thousand, $5,133 thousand and $4,425 thousand, and recorded as non-operating income and expenses – other gains and losses (direct operating expenses for investment properties).

1. According to the Company's Article of Incorporation, if the Company has profit in a year, it shall allocate 2% as employees' compensation and may allocate no more than 3% as remuneration for directors and supervisors. But if the Company has accumulated losses, the profit shall first be reserved for offsetting losses.

2. Regarding estimation of the payable compensation to employees, directors and supervisors, based on profitability in the current year, along with considerations on the expected distribution amount, the upper and lower percentage limits under Company's Article of Incorporation and other factors, the Company's management estimates the compensation according to the current-period profit amount before deducting income tax, compensation to employees and directors' remuneration. For the nine months ended September 30, 2023, the estimated amount of compensation to employees is $1,438 thousand and the estimated amount of directors' and supervisors' remuneration is $2,157 thousand. For the three months ended September 30, 2023 and for the nine months ended September 30, since the Company had net loss before tax, therefore, no compensation to employees or directors' and supervisors' remuneration were estimated. However, before the issuance date of these financial statements and after resolution by the board of directors, if there is material change in the distribution amount, the change would be adjusted in the current-year expense; if subsequently, the actual distribution amounts after the issuance date of these financial statements are different from the above amounts, the difference would be adjusted and treated as changes in accounting estimates in the next year.
3. On March 8, 2024 and March 10, 2023, the Company's board of directors had passed a resolution not to distribute compensation to employees for 2023 and 2022. The aforementioned distribution amounts are not different from those estimated in 2023 and 2022 financial statements.
4. Information on employees' compensation and remuneration for directors and supervisors of the Company as resolved by the meeting of board of directors is available from the "Market Observation Post System" at the website of the TWSE.

6.37 Changes in liabilities from financing activities

Item	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Guarantee deposits received
2024.1.1.	$ 910, 000	$ 579, 909	$ 1, 200, 000	$ 113, 171	$ 17, 410
Net changes in financing cash flows	200, 000	270, 000	148, 000	(10, 667)	1, 253
Noncash changes – lease addition/remeasurement	–	–	–	2, 002	–
Noncash changes - note discounts	–	(23)	–	–	–
Noncash changes - foreign exchange effect	–	–	–	22	–
September 30, 2024	$ 1, 110, 000	$ 849, 886	$ 1, 348, 000	$ 104, 528	$ 18, 663

Item	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Guarantee deposits received
2023.1.1.	$ 1, 479, 900	$ 49, 963	$ –	$ 65, 388	$ 23, 294
Net changes in financing cash flows	(639, 900)	160, 000	1, 200, 000	(10, 534)	(6, 034)
Noncash changes – lease addition/remeasurement	–	–	–	59, 893	–
Noncash changes - note discounts	–	(15)	–	–	–
Noncash changes - foreign exchange effect	–	–	–	(2)	–
September 30, 2023	$ 840, 000	$ 209, 948	$ 1, 200, 000	$ 114, 745	$ 17, 260

6.38 Income tax

1. Components of income tax expense (benefit):

(1) Income tax recognized in profit or loss

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Current income tax	$ 1	$ 53	$ 57	$ 143
Deferred income tax expense (benefit)				
Initial occurrence and reversals of temporarily differences	(15, 234)	(28, 570)	(7, 442)	(52, 818)
Net (increase) decrease in deferred income tax	(15, 234)	(28, 570)	(7, 442)	(52, 818)
Adjustments in respect of prior years	–	–	–	–
Income tax expense (benefit) recognized in profit or loss	($ 15, 233)	($ 28, 517)	($ 7, 385)	($ 52, 675)

The income tax rate for the Group entities under the tax laws of Republic of China is 20%；The applicable tax rate for the subsidiaries in Mainland China is 25%；The tax amounts in other regions are computed according to the tax rates applicable in the respective regions.

(2) Income tax recorded in other comprehensive income or loss：None.

2. The income tax returns of the Company and its domestic subsidiaries within the Group through 2022 was approved by the tax authorities.

6.39. Earnings per share

The Company's basic earnings per share is computed using the current-period net income (loss), divided by the weighted average number of outstanding common shares. The new shares from capital increases from un-distributed earnings or capital surplus are retrospectively computed.

If the Company may choose to distribute employees compensation with either stocks or cash, then the diluted earnings per share, assuming the compensation is distributed in stocks, is computed using the potential additional shares which would dilute the weighted average number of outstanding common shares. When determining the number of shares issued for employees compensation in the next year, the potential dilution effects are continuously considered.

	2024.7.1~ 9.30.			2023.7.1~ 9.30.		
	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)
Basic earnings (loss) per share:						
Net income (loss) attributable to owners of parent company	($ 59, 906)	531, 688	($ 0. 12)	($ 86, 146)	531, 688	($ 0. 16)
Effects from potential dilutive common shares						
Employees' compensation		-			-	
Diluted earnings per share:						
Net income attributable to common shareholders of the parent company, plus effects from potential common shares	($ 59, 906)	531, 688	($ 0. 12)	($ 86, 146)	531, 688	($ 0. 16)

	2024.1.1~ 9.30.			2023.1.1~ 9.30.		
	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)
Basic earnings (loss) per share：						
Net income (loss) attributable to owners of parent company	$ 75, 776	531, 688	$ 0. 14	($275, 446)	531, 688	($ 0. 52)
Effects from potential diluting common shares						
Employees compensation		129			-	
Diluted earnings per share：						
Net income (loss) attributable to owners of parent company After effects from potential diluting common shares	$ 75, 776	531, 817	$ 0. 14	($275, 446)	531, 688	($ 0. 52)

7. Related Party Transactions

7.1 Parent company and the ultimate controlling party

The Company is the ultimate controlling party of the Group.

7.2 Name of related party and relationship

Name of related party	Relationship with the Company
Yen Hsing Textile Co., Ltd.	Company that key management has significant influence
Su, Liao Hsiu Chin and 2 other individuals	Substantial related party
All directors, general manager and vice general managers	Key management

7.3 Significant transactions with related parties

All significant transactions, account balances, revenue/gains and expenses/losses among the Company and subsidiaries (that is, the related parties of the Company) had been eliminated, therefore, not disclosed in these notes. Please refer to Note 13.1, .2-11 for the related-party transactions within the Group. The transactions between the Group and other related parties are as following：

1. Sales

Related party category	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Company that key management has significant influence	$ 34, 655	$ 90, 760	$ 108, 980	$ 221, 287

The transaction prices and sales terms of goods sold to the Group’s related parties are similar to those of ordinary non-related parties.

2. Purchases

Related party category	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Company that key management has significant influence	$ 115	$ 351	$ 496	$ 1, 060

The transaction prices and purchase terms of goods purchased from the Group's related parties are similar to those of ordinary non-related parties.

3. Lease agreement (lessee)

(1) Right-of-use assets

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Su, Liao Hsiu Chin and 2 other individuals	$ 27, 349	$ 29, 566	$ 30, 305

(2) Lease liabilities - current

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Su, Liao Hsiu Chin and 2 other individuals	$ 2, 070	$ 2, 864	$ 2, 029

(3) Lease liabilities - noncurrent

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Su, Liao Hsiu Chin and 2 other individuals	$ 25, 497	$ 27, 676	$ 28, 392

(4) Interest expense

Related party category	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Su, Liao Hsiu Chin and 2 other individuals	$ 108	$ 118	$ 325	$ 355

(5) For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the total amount of rents that the Group had paid to Su, Liao Hsiu Chin and 2 other individuals were $824 thousand, $824 thousand, $2,473 thousand and $2,473 thousand, respectively.

(6) The Group has signed house lease contracts with Su, Liao Hsiu Chin and 2 other individuals for future years. As of September 30, 2024, December 31, 2023 and September 30, 2023, according to the agreement, the Group had issued

post-dated notes (not listed) of $0, $2,898 and $2,898 thousand, respectively, as payments for future transactions.

(7) Lease contracts and the rents were determined based on mutual agreements according to the market prices, and post-dated notes were issued and cashed for the rents over to the lease period.

4. Claims and debts between the Group and the related parties (all interest free):

(1) Accounts receivable

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Company that key management has significant influence	$ 7, 233	$ 25, 738	$ 31, 373

(2) Other receivables

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Yen Hsing Textile Co., Ltd.	$ –	$ –	$ 20, 956

(3) Accounts payable

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Company that key management has significant influence	$ 59	$ 126	$ 268

(4) Other payables

Related party category	September 30, 2024	December 31, 2023	September 30, 2023
Company that key management has significant influence	$ 53	$ 15	$ 162

5. Others

Item	Related party category	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Sale of defect products	Company that key management has significant influence	$ 121	$ 105	$ 240	$ 445
Purchase of leftover yarn and empty tubes	Company that key management has significant influence	$ 133	$ 373	$ 614	$ 880

7.4 Key management compensation

Item	2024.7.1 ~ 9.30.	2023.7.1 ~ 9.30.	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Salaries and other short-term employee benefits	$ 2, 228	$ 5, 260	$ 16, 626	$ 15, 840
Termination benefits	–	–	–	–
Post-employment benefits	29	32	89	95
Other long-term benefits	–	–	–	–
Share-based payments	–	–	–	–
Total	$ 2, 257	$ 5, 292	$ 16, 715	$ 15, 935

8. Pledged Assets:

Item	Use of collaterals	September 30, 2024	December 31, 2023	September 30, 2023
Land	Collateral for comprehensive credit facility	$ 372, 174	$ 372, 174	$ 372, 174
Buildings	Collateral for comprehensive credit facility	41, 532	38, 119	39, 104
Total		$ 413, 706	$ 410, 293	$ 411, 278

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Beside those disclosed in other Notes, the significant contingent liabilities and unrecognized contract commitments held by the Group at the end of the reporting period are as follows:

9.1 Endorsements and guarantees：None

9.2 Guarantee notes issued

As of September 30, 2024, December 31, 2023 and September 30, 2023, due to the entering of comprehensive credit contracts, the Group had issued $1,500,000 thousand, $900,000 thousand and $900,000 thousand of guarantee notes respectively to the financial institutions.

9.3 Guarantee notes received

To ensure collectability for contracts signed, equipment warranty and guarantees for sales contracts, the Group received guarantee notes of $649,236 thousand, $645,473 thousand and $653,650 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

9.4 As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's issued but unused letters of credit are as follows: (Units: Thousand dollars)

Date	Balances of issued yet unused letters of credit
September 30, 2024	NTD322,813、USD3,877、JPY20,000、CNY11,552
December 31, 2023	NTD585,600、EUR400、USD3,023、CNY4,000
September 30, 2023	NTD598,000、EUR64、USD4,227、JPY6,500

9.5 As of September 30, 2024, December 31, 2023 and September 30, 2023, the significant capital expenditures on property, plant and equipment, etc., committed but not yet paid were $69,274 thousand, $173,353 thousand and $197,788 thousand, respectively.

10. Significant Disaster Losses：None

11. Significant Subsequent Events：None

12. Others

12.1 Explanation for seasonal or periodical interim operations

The Group's operations are not affected by seasonal or periodical factors.

12.2 Capital risk management

The goal, policy and procedures of Group's capital risk management do not have material change in this period and are consistent with those disclosed in the 2023 annual consolidated financial statements. Please refer to Note 12.2 of the 2023 annual consolidated financial statements.

12.3 Financial instruments

1. Types of financial instruments

Financial assets	September 30, 2024	December 31, 2023	September 30, 2023
FVTPL financial assets			
Mandatorily measured at FVTPL	$ 818, 465	$ 721, 420	$ 631, 461
FVTOCI financial assets			
Investments in designated equity instruments	181, 721	180, 826	172, 322
Financial assets measured at amortized cost			
Cash and cash equivalents	82, 748	144, 683	92, 283
Notes and accounts receivable (including related parties)	1, 339, 902	1, 356, 053	1, 236, 615
Other receivables	28, 032	11, 043	32, 881
Refundable deposits paid	11, 619	18, 379	18, 441

Financial liabilities	September 30, 2024	December 31, 2023	September 30, 2023
Financial liabilities measured at FVTPL			
Mandatorily measured at FVTPL	–	384	–
Financial liabilities measured at amortized cost			
Short-term borrowings	1, 110, 000	910, 000	840, 000
Short-term notes and bills payable	849, 886	579, 909	209, 948
Notes and accounts payable (including related parties)	797, 096	641, 290	569, 573
Other payables (including related parties)	271, 342	281, 952	277, 554
Long-term borrowings (including long-term liabilities due within one year)	1, 348, 000	1, 200, 000	1, 200, 000
Lease liabilities – current and noncurrent	104, 528	113, 171	114, 745
Guarantee deposits received	18, 663	17, 410	17, 260

2. Financial risk management policies

The goal, policy and procedures of Group's financial risk management do not have material change in this period and are consistent with those disclosed in the 2023 annual consolidated financial statements. Please refer to Note 12.3-2 of the 2023 annual consolidated financial statements.

3. Nature and degree of material financial risks

(1) Market Risk

The market risks of the Group are risks of fluctuations of fair value or cash flows from changes in market prices of financial instruments. Market risk includes foreign exchange risk, interest rate risk and price risk.

A. Foreign exchange risk

The Group engages in businesses that involve several non-functional currencies (the functional currency of the Group is New Taiwan Dollars, and the functional currencies for part of the subsidiaries are CNY and USD), therefore, the Group is affected by fluctuations in exchange rates. The foreign-currency assets and liabilities subjected to significant impacts from fluctuations in exchange rates are as follows: (including monetary items in non-functional currencies that were written off in the Consolidated Financial Statements)

Item (Foreign currency：functional currency)	September 30, 2024			December 31, 2023		
	Amount in Foreign Currency	Exchange Rate	In NTD	Amount in Foreign Currency	Exchange Rate	In NTD
Financial assets						
Monetary items						
USD：NTD	$ 25, 988	31. 60	$ 821, 221	$ 22, 535	30. 655	$ 690, 810
CNY：NTD	1, 985	4. 4980	8, 929	2, 356	4. 3020	10, 136
Financial liabilities						
Monetary items						
USD：NTD	3, 459	31. 60	109, 304	2, 889	30. 655	88, 562
CNY：NTD	-	4. 4980	-	4, 000	4. 3020	17, 208

Item (Foreign currency：functional currency)	September 30, 2023		
	Amount in Foreign Currency	Exchange Rate	In NTD
Financial assets			
Monetary items			
USD：NTD	$ 18, 011	32. 27	$ 581, 215
CNY：NTD	3, 435	4. 4150	15, 166
Financial liabilities			
Monetary items			
USD：NTD	1, 398	32. 27	45, 113
CNY：NTD	4, 000	4. 4150	17, 660

Note: Non-monetary assets in foreign currency measured at historical exchange rates on the transaction dates are not disclosed since those assets does not have significant impact on the Consolidated Financial Statements.

The Group's sensitivity analysis of foreign currency risk focuses on the major foreign monetary and non-monetary items on the reporting date and their foreign exchange effects on the Group's profit or loss and equity. When the foreign exchange rates appreciate/depreciate by 1%, the Group's net income for as of September 30, 2024 and 2023 would increase/decrease by $5,767 thousand and $4,269 thousand, respectively. 1% is the sensitivity ratio used for the Group's internal reporting on foreign exchange risks to key management, it also represents the management's assessment on the reasonable range of potential changes in foreign exchange rates.

The unrealized net exchange gain (loss) arising from significant foreign exchange movement on the monetary items held by the Group for the nine months ended September 30, 2024 and 2023 amounted to ($16,393) thousand and $10,848 thousand, respectively. Due to complexity and large volume of transaction in foreign currencies, the unrealized exchange gain (loss) is expressed in summarized amounts.

B. Interest rate risk

Interest rate risk is the risk of fluctuations in fair value of financial instruments or in future cash flows due to changes in market interest rates. The Group's interest rate risk mainly comes from borrowings with floating interest rates. However, part of the risks are offset by the held cash and cash equivalents with floating interest rates. Since the Group regularly assess the trend of change in interest rates and would make timely responses, material risk from changes in market interest rates is not expected to occur. If the borrowing interest rate is increased/decreased by 10 basis points, given other factors remain constant, the Group's net income will decrease/increase by $1,935 thousand and $1,217 thousand as of September 30, 2024 and 2023, respectively.

C. Price risk

The Group is exposed to the price risk of equity instruments since the investments held by the Group are classified either as financial assets measured at FVTPL or at FVTOCI. In order to manage the price risk of equity instruments, the Group diversifies its investment portfolios, with the diversification methods based on the limits set by the Group. The prices of financial assets measured at FVTPL or at FVTOCI invested by the Group would be affected by uncertainties of future value of the investment targets. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, the after-tax profit as of September 30, 2024 and 2023 would have increased/decreased by $8,185 thousand and $6,315 thousand, respectively； Equity would have increased/decreased by $1,817 thousand and $1,723 thousand, respectively.

(2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities (primarily accounts and notes receivables) and from financing activities (primarily bank deposits and various financial instruments). Business-related credit risk and financial credit-related risks are managed separately.

The goal, policy and procedures of Group's credit risk management do not have material change in this period and are consistent with those disclosed in the 2023 annual consolidated financial statements. Please refer to Note 12.3-3-(2) of the 2023 annual consolidated financial statements.

The Group adopts the presumptions under IFRS 9. When an account is overdue over 30 days based on the agreed contractual payment terms, the credit risk of the financial asset is considered to have significantly increased after initial recognition；When overdue over 365 days based on the agreed contractual payment terms, or when the debtor is unlikely to fulfill its credit obligation and fully pays to the Group, the Group regards default has occurred to the financial asset. For aging analysis for accounts receivable and movements of loss allowance, please refer to Note 6.3 and 6.4 for details.

There is no change in the Group's credit risk exposure of its financial instruments and management and measurement methods for such risks. Therefore, the maximum exposure amounts of the Group's cash and cash equivalent, receivables, and other financial assets as of the balance sheet date are the same as their book value.

(3) Liquidity risk

Liquidity risk refers to risk of unable to liquidate by the expected time. The Group manages funds, achieves objectives of utilizing funds flexibly and maintaining funds mainly through borrowing from financial institutions, cash and cash equivalents and other tools, etc. The capital of the Group and operating funds are sufficient to fulfill all contractual obligations, therefore, there is no liquidity risk due to unable to acquire sufficient fund to fulfill contractual obligations.

The following schedule summarizes the Group's non-derivative financial liabilities and derivative financial liabilities traded based on net amount or gross amount, grouped according to the respective expiration dates and prepared according to the earliest possible requested repayment dates and the undiscounted cash flows. The Group does not expect significant early expiration or deviation of the actual cash flows. Regarding cash flows for interest payments that are subjected to floating interest rates, the undiscounted interest amounts are derived from the projected curve of yield rates on the balance sheet date. Therefore, the amounts of non-derivative financial liabilities subjected to floating interest rates would change due to the difference between the estimated interest rates on the balance sheet date and the actual floating rates. Regarding maturity analysis on lease liabilities, please refer to Note 6.12-2-(2).

	September 30, 2024						
Item	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 230, 313	$ 894, 036	$ −	$ −	$ −	$ 1, 124, 349	$ 1, 110, 000
Short-term notes and bills payable	850, 000	−	−	−	−	850, 000	849, 886
Notes payable	214, 952	−	−	−	−	214, 952	214, 952
Accounts payable (including related parties)	582, 144	−	−	−	−	582, 144	582, 144
Other payables (including related parties)	264, 314	7, 028	−	−	−	271, 342	271, 342
Long-term borrowings (including long-term liabilities due within 1 year)	372, 351	10, 167	861, 877	136, 807	−	1, 381, 202	1, 348, 000

	December 31, 2023						
Item	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 916, 111	$ −	$ −	$ −	$ −	$ 916, 111	$ 910, 000
Short-term notes and bills payable	580, 000	−	−	−	−	580, 000	579, 909
Notes payable	174, 111	−	−	−	−	174, 111	174, 111
Accounts payable (including related parties)	467, 179	−	−	−	−	467, 179	467, 179
Other payables	281, 952	−	−	−	−	281, 952	281, 952
Long-term borrowings	11, 850	11, 850	376, 886	840, 691	−	1, 241, 277	1, 200, 000
Derivative financial liabilities							
FX Swap contract							
Outflow	384	−	−	−	−	384	384

	September 30, 2023						
Item	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 7, 422	$ 843, 090	$ −	$ −	$ −	$ 850, 512	$ 840, 000
Short-term notes and bills payable	210, 000	−	−	−	−	210, 000	209, 948
Notes payable	174, 998	−	−	−	−	174, 998	174, 998
Accounts payable (including related parties)	394, 575	−	−	−	−	394, 575	394, 575
Other payables (including related parties)	274, 112	3, 442	−	−	−	277, 554	277, 554
Long-term borrowings	11, 850	11, 850	378, 664	844, 839	−	1, 247, 203	1, 200, 000

12.4 Fair value information

1. Fair value levels

   Based on observable degrees, the valuation methods used to measure the fair value of financial and nonfinancial instruments may be classified into the following 1~3 levels:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

   Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. price) or indirectly (i.e. inferred from price).

   Level 3: Refers to valuation methods that derive fair value of assets or liabilities based on input parameters from unobservable market data (unobservable parameters).

2. Financial instruments that are not measured at fair value

   The book value of the Group’s financial instruments that are not measured at fair value (including cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes payable, notes and accounts payable (including related parties), other payables (including related parties), etc.) approximates their fair value. The effect due to whether or not the expected cash flows from refundable deposits or guarantee deposits received are discounted is not material, therefore, their book value provides a reasonable basis for estimating their fair value. The fair value of the long-term loans was estimated to be approximately equal to their carrying amounts based on the discounted value of the expected cash flows because most of the floating interest rates were close to market rates.

3. Regarding the financial and non-financial instruments that are measured at fair value as of September 30, 2024, December 31, 2023 and September 30, 2023, the Group classifies the assets and liabilities based on their nature, characteristics, level of risks and fair value:

	September 30, 2024			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
FVTPL financial assets- current				
Listed stocks	$ 818, 465	$ −	$ −	$ 818, 465
Financial assets measured at FVTOCI – noncurrent				
Non-listed stocks and limited partnership	−	−	181, 721	181, 721
Total	$ 818, 465	$ −	$ 181, 721	$ 1, 000, 186

	December 31, 2023			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
FVTPL financial assets - current				
Listed stocks	$ 721, 420	$ −	$ −	$ 721, 420
Financial assets measured at FVTOCI – noncurrent				
Non-listed stocks and limited partnership	−	−	180, 826	180, 826
Total	$ 721, 420	$ −	$ 180, 826	$ 902, 246
Liabilities				
Recurring fair value				
Financial liabilities measured at FVTPL－current				
Derivatives - FX Swap Contract	$ −	$ 384	$ −	$ 384

	September 30, 2023			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
FVTPL financial assets －current				
Listed stocks	$ 630, 393	$ −	$ −	$ 630, 393
Derivatives - FX Swap Contract	−	1, 068	−	1, 068
Financial assets measured at FVTOCI – noncurrent				
Non-listed stocks and limited partnership	−	−	172, 322	172, 322
Total	$ 630, 393	$ 1, 068	$ 172, 322	$ 803, 783

4. The methods and assumptions used for measure fair values

The fair value of financial and non-financial instruments refers to the transaction amount with voluntary parties (not by force or by means of liquidation). The methods and assumptions used by the Group when estimating fair value of financial and non-financial instruments are as follows:

(1) Regarding financial instruments with standard terms and condition and are traded in active markets, their fair value are determined using the quoted prices in their respective markets. For listed securities, the closing prices are used as fair value. The fair value of emerging stocks is based on the transaction price.

(2) Except for above financial instruments with active markets, when evaluating non-standardized and low complexity financial instruments, such as derivatives – foreign exchange forward contracts and FX swap contracts, their fair values are determined by using valuation techniques or by reference to quotes from counterparty. The fair values of financial instruments determined by using valuation techniques can be referred to current fair values of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including by applying model using market information available on the balance sheet date. The Group adopts valuation methods and model that are widely accepted by market participants, the inputs used by such valuation model for financial instruments are generally observable market information, and the foreign exchange forward contracts are generally valued at the forward exchange rates at the present time.

(3) Regarding financial instruments with higher complexity, the Group measures the fair value based the valuation methods and techniques widely used by peers in the same industry and self-developed valuation models. Part of the parameters used by such types of valuation models is not based on observable information in the market, and the Group has to make appropriate estimation-based assumptions. The fair value of the Group's held non-listed stocks and limited partnership are estimated either by market approach or asset approach and valuations is made by referencing to similar companies, third-party quotes, net value of the companies, and operating conditions. The major material unobservable input value is liquidity discount. For the effects to the valuation for financial instruments from parameters that are not observable in the market, please refer illustrations in Note 12.4-10.

(4) The output of the valuation model is the computed approximate value, and the valuation technique may not be able to reflect all relevant factors of the Group's held financial and non-financial instruments. Therefore, the estimated value of

the valuation model would be properly adjusted based on additional parameters, such as model risk or liquidity risk. Based on the Group's management policy for fair-value valuation model and the related controlling procedures, the valuation adjustments are appropriate and necessary. The price information and parameters used during the valuation procedures are assessed carefully and are properly adjusted based the current market conditions.

(5) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

5. Transfer between Level 1 and Level 2 of the fair value hierarchy for the nine months ended September 30, 2024 and 2023: None

6. Changes in Level 3 financial instruments for the nine months ended September 30, 2024 and 2023

Item	Non-derivative equity instruments – unlisted stocks and limited partnership	
	2024.1.1. ~ 9.30.	2023.1.1. ~ 9.30.
Beginning balance	$ 180, 826	$ 195, 288
Acquisition in this period	4, 000	4, 000
Disposition in this period	-	(6, 111)
Funds returned from capital reduction in this period	-	(20, 956)
Capital distribution in this period	(2, 380)	-
Transfer in (out) Level 3	-	-
Recognized in other comprehensive income	(725)	101
Ending balance	$ 181, 721	$ 172, 322

7. For the nine months ended September 30, 2024 and 2023, the Group did not have fair value transferred in or out from Level 3.

8. According to the Group's valuation procedures for Level 3 fair value classification, the Group's accounting department, along with outside professional appraisal institutions, share the work to independently verify the fair value of the financial instruments. The valuation works include using independent source data to make the valuation result close to the market condition and confirming independence and reliability of the data source, consistency with other resources, and representing execution price. The required input value and data are periodically updated, and any

other necessary fair value adjustments are made to ensure reasonable valuation results.

9. Illustrations for quantified information of material unobservable input value and sensitivity analysis for changes in material unobservable input value for Level 3 fair value measurement items are as follows：

Item	Fair value as of September 30, 2024	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Un-listed stocks	$ 138, 048	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	43, 673	Asset approach	NA	NA	NA
Total	$ 181, 721				

Item	Fair value as of December 31, 2023	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Un-listed stocks	$ 143, 416	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	37, 410	Asset approach	NA	NA	NA
Total	$ 180, 826				

Item	Fair value as of September 30, 2023	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Un-listed stocks	$ 136, 811	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	35, 511	Asset approach	NA	NA	NA
Total	$ 172, 322				

10. After careful selection of valuation model and the parameters, the Group considers that the fair value measurements are reasonable. But when different valuation model or the parameters are used, the valuation results may be different. Regarding the financial assets and liabilities classified as Level 3, if there is change in the valuation parameters, then the affects to the current-period profit and other comprehensive income would be as follows:

			2024.1.1. ~ 9.30.			
			Recognized in profit or loss		Recognized in other comprehensive income	
Item	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Non-derivative equity instruments:						
Un-listed stocks	Liquidation discount	+1%	$ -	$ -	$ -	($ 1, 825)
		−1%	$ -	$ -	$ 1, 825	$ -

			2023.1.1. ~ 9.30.			
			Recognized in profit or loss		Recognized in other comprehensive income	
Item	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Non-derivative equity instruments:						
Un-listed stocks	Liquidation discount	+1%	$ -	$ -	$ -	($ 1, 813)
		−1%	$ -	$ -	$ 1, 813	$ -

13. Supplementary disclosures

13.1 Information on significant transactions, and 13.2 Information on investees (before consolidation eliminations)

1. Loans to others：None

2. Endorsements and guarantees provided to others：None

3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures)

Unit： Thousand shares/units (unless specified otherwise)

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	End of the period			
					Number of shares/units	Book value	Ownership (%)	Fair value
Zig Sheng Industrial Co., Ltd.	Stock	Tainan Spinning Co., Ltd.	—	Financial assets measured at FVTPL - current	1, 040	16, 848	0. 06	16, 848
		Yi Jinn Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	7, 503	151, 567	2. 37	151, 567
		Lan Fa Textile Co., Ltd.	—	Financial assets measured at FVTPL - current	1, 187	12, 048	0. 33	12, 048
		De Licacy Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	1, 308	18, 838	0. 32	18, 838
		Eclat Textile Co., Ltd.	—	Financial assets measured at FVTPL - current	246	133, 866	0. 09	133, 866
		Makalot Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	258	90, 063	0. 11	90, 063
		TSRC Corporation	—	Financial assets measured at FVTPL - current	400	9, 520	0. 05	9, 520
		Taiwan Semiconductor Manufacturing Company Limited	—	Financial assets measured at FVTPL - current	40	38, 280	－	38, 280
		Evergreen Marine Corporation (Taiwan) Ltd.	—	Financial assets measured at FVTPL - current	1, 000	201, 000	0. 05	201, 000
		Kwang Ming Silk Mill Co., Ltd.	—	Financial assets measured at FVTPL - current	25	1, 337	0. 06	1, 337
		Great Giant Fibre Garment Co., Ltd.	—	Financial assets measured at FVTPL - current	427	102, 348	0. 71	102, 348
		Nan Ya Printed Circuit Board Corporation	—	Financial assets measured at FVTPL - current	300	42, 750	0. 05	42, 750
		Lilyent Corp.	—	Financial assets measured at FVTOCI - noncurrent	2, 881	54, 743	4. 01	54, 743
		Yen Hsing Textile Co., Ltd.	The Company is the director of the company	Financial assets measured at FVTOCI - noncurrent	4, 890	51, 783	13. 99	51, 783
		Yi Tong Fiber Co., Ltd.	—	Financial assets measured at FVTOCI - noncurrent	671	30, 207	1. 52	30, 207
		Chu Sing Industrial Co., Ltd.	—	Financial assets measured at FVTOCI - noncurrent	29	1, 315	3. 32	1, 315
		Ability Asia Capital Corp.	The Company is the supervisor of the company	Financial assets measured at FVTOCI - noncurrent	1, 648	18, 013	0. 98	18, 013
	Partnership	Ability Asia Capital II Outstanding Transformation Growth Limited Partnership	—	Financial assets measured at FVTOCI - noncurrent	－	25, 660	－	25, 660

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

5. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties 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 of 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. Information about the derivative financial instruments transaction: Please refer to Note 6.2-3.
10. Name, location, etc. of investee companies over which the Company has direct or indirect influence, control or joint control (not including investments in Mainland China)

Unit: NTD thousand/USD thousand

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the end of period			Net income (losses) of the investee	Share of profits/losses of investee	Footnote
				End of this period	End of last year	Number of shares (thousand)	Percentage of ownership	Book value			
Zig Sheng Industrial Co., Ltd	ZIS Holding Co., Ltd.	Mauritius	Make various investments outside of Taiwan region following the Parent company's operating policies	$185, 020	$185, 020	5, 400	100%	–	–	–	Please refer to Note 6.9 for details
	Nicest Int'L Trading Corp.	Samoa	Make various investments outside of Taiwan region following the Parent company's operating policies	8, 883	8, 883	300	100%	$21, 448	$ 869	$ 846	Include $23 thousand of net negative profit adjustment due to difference in unrealized income tax between the entity basis and consolidated basis point of view
	Ding Sheng Material Technology Corporation Limited	Taipei	Production of synthetic resin and industrial plastic products and related international trading	15, 000	15, 000	1, 500	100%	8, 678	1, 445	1, 445	
Ding Sheng Material Technology Corporation Limited	Ding Sheng Material Technology Corporation	USA	General import/export trading	6, 340	6, 340	200	100%	1, 204	1, 492	1, 492	

Note: Except for initial investment amounts measured using historical exchange rates; all foreign currency amounts in the above schedule are converted to NTD using the exchange rate on the balance sheet date.

11. Business Relationships between Parent and Subsidiaries and Significant Transactions

Company name	Counter-party	Nature of relationships	Transaction details			
			Account	Amount	Transaction terms	% to Total
Zig Sheng Industrial Co., Ltd.	Suzhou Hongsheng Trading Co., Ltd.	Parent to subsidiary	Sales revenue	$44, 317	Per agreement based on general market price	0. 61%
			Accounts receivable	8, 914	T/T 90 days settled monthly	0. 08%
			Realized sales gains	1, 487	—	0. 02%
			Unrealized sales gains	1, 394	—	0. 02%
	Ding Sheng Material Technology Corporation Limited	Parent to subsidiary	Rental income	72	Per agreed contract	—
Suzhou Hongsheng Trading Co., Ltd.	Zig Sheng Industrial Co., Ltd.	Subsidiary to parent	Sales revenue	1, 239	Per agreement based on general market price	0. 02%
			Other income	341	Per agreement based on general market price	—
			Other receivables	56	T/T 90 days settled monthly	—
			Other prepayments	8, 546	—	0. 08%
Ding Sheng Material Technology Corporation Limited	Zig Sheng Industrial Co., Ltd.	Subsidiary to parent	Prepayments	25	Per agreed contract	—

Note:(1) Regarding the same transaction between the parent and subsidiary company, the transaction is not required to be disclosed repetitively. For example, regarding a transaction of parent company toward a subsidiary, if the parent company had disclosed, then the subsidiary portion is not required to be disclosed repetitively; regarding transactions among subsidiaries, if a subsidiary had disclosed, then the other subsidiary is not required to disclose repetitively.

(2) Regarding computation for the ratios of the transaction amounts over the total consolidated revenue or the total assets, for asset and liability items, the ratios are computed as the ending balances over the total consolidated assets; for profit or loss items, the ratios are computed as the interim accumulated amounts over the total consolidated revenue.

13.3 Information on investment in Mainland China

1.

Unit: NTD thousand/USD thousand

Investee in Mainland China	Main Business Activities	Total Amount of Paid-in Capital	Investment Method	Accumulated Outflow of Investment from Taiwan as of Beginning of Period	Investment Flows		Accumulated Outflow of Investment from Taiwan as of End of Period	Net Income (Losses) of the Investee	Ownership Held by the Company (direct or indirect) (%)	Investment Profits/Losses Recorded	Carrying Amount as of End of Period	Accumulated Inward Remittance of Earnings as of End of Period
					Outflow	Outflow						
Kunshan Lilytex Co., Ltd.	Warehouse rental business	USD24,782	Note (1)	$185,020 (USD5,400)	—	—	$185,020 (USD5,400)	($1,100)	21.79%	— Note (3)	0 Note (3)	–
Suzhou Hongsheng Trading Co., Ltd	Engage in wholesale, import/export, agency (excluding auctions) of plastic products, chemical products (except for hazardous items), synthetic fiber materials, products made by synthetic fibers, textile materials, mechanical and electric equipment and its parts and the related services, consulting services and maintenance/repair services for mechanical and electric equipment and its parts	USD300	Note (1)	8,883 (USD300)	—	—	8,883 (USD300)	869	100.00%	$869 Note (2)	$22,493 Note (2)	–

Accumulated Investment in Mainland China as of End of Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note (4))
$193,903(USD5,700)	$193,903(USD5,700)	$3,829,522

Note:

(1) Through investing in an existing company in the third area, then invested in the investee in Mainland China. The investment is approved by the government.

(2) Investments in the third area, the investment income or loss under equity method and ending carrying amounts are recognized according to the direct and indirect shareholding ratio and the financial statements of Mainland China investee companies audited by the CPA of Parent company.

(3) Shareholding ratio does not reach 50%, without controlling power, and the Company does not endorse any debt or other financial commitment of the investee company. Therefore, the carrying amount under equity method only written down to zero.

(4) According to regulation by Investment Commission, MOEA, the accumulated investment amount or ratio in the investments in Mainland China is limited to 60% of the Company’s equity or consolidated equity, whichever is higher.

(5) Except for initial outbound investment measured using historical exchange rates; all foreign currency amounts in the above schedule are converted to NTD using the exchange rate on the balance sheet date.

2. Material transactions with investee companies in Mainland China directly or indirectly through third area

The Group does not have significant direct or indirect transactions with the investee company, Kunshan Lilytex Co., Ltd., through third area; regarding significant direct or indirect transactions between the Group and the investee company, Suzhou Hongsheng Trading Co., Ltd., through third area, please refer to Note 13.1, .2-11.

13.4 Information on major shareholder

2024.9.30.

Shares / Name of Major Shareholders	Number of Shares Held	Percentage of Ownership (%)
Yi Sheng Investment Co., Ltd.	52, 783, 760	9. 92%
Su, Bai Huang	27, 160, 455	5. 10%
Su, Ching Yuan	27, 044, 389	5. 08%

Note：

1. The information on major shareholders in this schedule includes shareholders who held at least 5% of common shares and special shares combined and had been registered (including treasury shares) with the stock depository company on the last business day of each season. There may be different in the recorded share capital in the financial statements and the actually registered shares due to different preparation and computation basis.
2. If the above data relate trusted shares by shareholders, the principals are separately disclosed based on the trust accounts opened by the trustees. As to filings by internal shareholders with over 10% holding percentage according Securities and Exchange Act regulations, there the shares include shares held by principals and trusted shares with controlling power retained, please refer to Market Observation Post System.

14. Operating Segments Information

14.1 Operating segments refers to an operating component unit that meets all of the following characteristics:

1. Undertakes business operations that earn revenue and incur expenses.
2. The operating results are periodically reviewed by the operating decision makers for forming decisions on allocating resources to the division and for evaluating the performance of the segment.
3. With separate standalone financial information.

14.2 According to point of views from the operating decision makers, the Group reviews the connections between the various management departments and the products and services and classifies the operating units into the following two reporting operating segments:

Fiber Operating Segment: The division is responsible for manufacturing, processing and trading businesses in textured yarn, artificial cotton, nylon, etc.

Chemical Materials Operating Segment: The division is responsible for manufacturing, processing and trading businesses in nylon chips, compound materials, etc.

The Group’s other non-reporting business operations and operating segments are collectively disclosed in “Other Segments”.

14.3 The Group's reporting operating segments are strategic business units for providing various products and services. Each strategic business unit requires different techniques and marketing strategies, therefore must be managed separately.

14.4 The business units are supervised separately by the respective management of the Group for forming decisions on resource allocation and performance evaluation. The performance of operating segment are measured based on operating profit or loss, such measurement amounts are provided to operating decision makers for allocating resources to the divisions and performance evaluation and are prepared using the same methods with those in the Consolidated Financial Statements. However, the headquarter operating costs, income tax expenses (benefits) and non-regular gains or losses (non-operating income and expenses) are managed based on the parent company and are not allocated to the reporting segments. The reported amounts are consistent with the reports used by the operating decision makers. The transfer pricings among the operating segments are based on similar regular transactions with outside third parties. The accounting policies of operating segment are basically the same as those described in Summary of Significant Accounting Policies in Note 4 and Note 4 of 2023 annual consolidated financial statements.

14.5 Financial Information for Operating Segments

1. 2024.1.1 ~ 9.30 and 2024.9.30

	Fiber Operating Segment	Chemical Materials Operating Segment	Other Segments	Adjustment and write-offs	Total
Revenue					
From outside customers	$ 2, 904, 995	$ 4, 368, 289	$ 44, 822	$ −	$ 7, 318, 106
Revenue among segments	−	1, 442, 862	1, 238	(1, 444, 100)	−
Total revenue	$ 2, 904, 995	$ 5, 811, 151	$ 46, 060	($ 1, 444, 100)	$ 7, 318, 106
Segment profit (loss)	($ 123, 675)	($ 19, 622)	($ 59)	$ 906	($ 142, 450)
Non-operating income and expenses					210, 841
Before-tax income (loss) from continuing operations					$ 68, 391
Segment profit (loss) includes:					
Depreciation and amortization	$ 168, 976	$ 49, 839	$ 3, 342	$ 52, 056	$ 274, 213
Segment assets	$ −	$ −	$ −	$11, 157, 728	$11, 157, 728
Segment liabilities	$ −	$ −	$ −	$ 4, 775, 191	$ 4, 775, 191

2. 2023.1.1~ 9.30 and 2023.9.30

	Fiber Operating Segment	Chemical Materials Operating Segment	Other Segments	Adjustment and write-offs	Total
Revenue					
From outside customers	$ 2, 486, 667	$ 2, 933, 130	$ 43, 556	$ –	$ 5, 463, 353
Revenue among segments	–	1, 300, 319	–	(1, 300, 319)	–
Total revenue	$ 2, 486, 667	$ 4, 233, 449	$ 43, 556	($ 1, 300, 319)	$ 5, 463, 353
Segment profit (loss)	($ 385, 417)	($ 84, 402)	($ 1, 488)	($ 22, 038)	($ 493, 345)
Non-operating income and expenses					165, 224
Before-tax income (loss) from continuing operations					($ 328, 121)
Segment profit (loss) includes:					
Depreciation and amortization	$ 173, 942	$ 56, 943	$ 1, 611	$ 58, 376	$ 290, 872
Segment assets	$ –	$ –	$ –	$ 9, 770, 977	$ 9, 770, 977
Segment liabilities	$ –	$ –	$ –	$ 3, 510, 371	$ 3, 510, 371

3. Explanation for adjustments and write-offs:

(1) Revenue among the segments are written off upon consolidation.

(2) Adjustment (reconciliation) and write-offs on segment profit or loss (including depreciation and amortization) are mainly for elimination profit or loss among the Divisions upon consolidation, for non-allocated operating expenses, etc.

(3) Since the measurement amounts of segment assets and liabilities are not the measurement indices used by the operating decision makers, therefore, the reportable measurement amounts of segment assets and liabilities is $0. The non-allocated amounts of assets and liabilities are listed under adjustments (reconciliations) and write-offs.