Stock Code: 1341

Fulin Plastic Industry (Cayman) Holding Co., Ltd. And Its Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31th, 2025 and 2024 and Independent Auditors' Review Report

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<u>*Notice to Reader*</u>

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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Independent Auditors' Review Report

To Fulin Plastic Industry (Cayman) Holding Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Fulin Plastic Industry (Cayman) Holding Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024 and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the ”consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 Financial Supervisory Commission of the Republic of China.

Deloitte & Touche	
CPA Wang, Teng-Wei	CPA Chen, Chen-Li
Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1100356048	Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1010028123

May 9th, 2025

Notice to Reader

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FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2025 and 2024

Unit: NT$ thousand

		March 31, 2025		December 31, 2024		March 31, 2024	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6)	$ 220,069	9	$ 311,620	12	$ 314,756	14
1170	Net accounts receivable (Notes 7)	475,929	19	580,044	23	501,649	22
1200	Other receivables	16,396	1	4,601	-	5,138	-
130X	Inventories (Notes 8)	633,538	25	668,120	27	603,396	27
1410	Prepayments (Notes 24)	66,166	3	59,975	2	34,593	2
1476	Other Financial assets - Current（Note 9）	442,357	18	246,300	10	137,792	6
1479	Other current assets	3,635	-	3,827	-	3,540	-
11XX	Total current assets	1,858,090	75	1,874,487	74	1,600,864	71
	Non-current assets						
1600	Property, plant and equipment（Notes 10 and 19）	563,020	22	570,934	23	585,775	26
1755	Right-of-use assets (Notes 11)	28,408	1	29,129	1	34,601	1
1780	Intangible assets	3	-	4	-	45	-
1840	Deferred tax assets	23,865	1	20,976	1	19,649	1
1915	Advance payment for equipment	1,726	-	4,109	-	-	-
1920	Refundable deposits	1,412	-	1,440	-	1,477	-
1990	Other non-current assets	17,255	1	18,585	1	18,305	1
15XX	Total non-current assets	635,689	25	645,177	26	659,852	29
1XXX	Total assets	$ 2,493,779	100	$ 2,519,664	100	$ 2,260,716	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 12 and 24)	$ 577,155	23	$ 594,255	24	$ 418,673	19
2120	Financial liabilities at fair value through profit or loss - current (Notes 13)	-	-	-	-	2,805	-
2130	Contract liabilities - current (Notes 18)	12,636	1	14,966	1	10,021	-
2150	Notes payable (Note 14)	16,543	1	25,332	1	22,395	1
2170	Accounts payable (Note 14)	222,460	9	279,488	11	212,421	9
2216	Dividends payable (Note 17)	274,824	11	-	-	232,555	10
2219	Other payables (Note 15 and 24)	76,788	3	87,784	3	67,139	3
2230	Income tax liabilities for the period	26,303	1	29,703	1	13,926	1
2280	Lease liabilities - current (Notes 11)	2,793	-	2,741	-	3,246	-
2321	Corporate bonds payable due within one year (Notes 13)	-	-	-	-	56,949	3
2365	Refund liabilities - current	2,468	-	3,228	-	3,872	-
2399	Other current liabilities	1,035	-	654	-	522	-
21XX	Total current liabilities	1,213,005	49	1,038,151	41	1,044,524	46
	Non-current liabilities						
2550	Liabilities provision - non-current	15,160	-	14,284	1	16,342	1
2570	Deferred income tax liabilities	1,225	-	1,145	-	1,570	-
2580	Lease liabilities - non-current (Notes 11)	18,300	1	18,613	1	22,707	1
25XX	Total non-current liabilities	34,685	1	34,042	2	40,619	2
2XXX	Total liabilities	1, 247,690	50	1,072,193	43	1,085,143	48
	Equity attributable to owners of the Company (Notes 17)						
3110	Share capital - common stock	528,506	21	528,506	21	519,408	23
3200	Capital surplus	255,892	10	308,743	12	260,856	12
3300	Retained earnings						
3310	Statutory surplus reserve	202,440	9	174,189	7	174,189	8
3320	Special surplus reserve	275,477	11	295,809	12	295,809	13
3350	Unappropriated earnings	252,128	10	415,701	16	208,711	9
	Total retained earnings	730,045	30	885,699	35	678,709	30
3410	Translation differences in financial statements from overseas operations	(268,354)	(11)	(275,477)	(11)	(283,400)	(13)
3XXX	Total equity	1,246,089	50	1,447,471	57	1,175,573	52
	Total liabilities and equity	$ 2,493,779	100	$ 2,519,664	100	$ 2,260,716	100

The attached notes are part of the consolidated financial statements.

Chairman: Wang, Yuan-Lin   Managerial Officer: Wang, Yuan-Lin   Accounting Supervisor: Chen,Jen-Chung

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

January 1 to March 31, 2025 and 2024

Unit: NT$ thousand, NT$ for earnings per share

		For the Three Months Ended			
		2025		2024	
Code		Amount	%	Amount	%
4000	Net operating revenue (Notes 18)	$ 690,050	100	$ 605,623	100
5000	Operating costs (Notes 8 and 19)	531,526	77	473,286	78
5900	Gross operating profit	158,524	23	132,337	22
	Operating expenses (Notes 7, 19 and 24)				
6100	Marketing expenses	19,592	3	18,123	3
6200	Administrative expenses	47,179	7	35,086	6
6300	Research and development expenses	5,334	1	4,857	1
6450	Expected credit impairment loss	10,270	1	2,159	-
6000	Total operating expenses	82,375	12	60,225	10
6900	Net operating profit	76,149	11	72,112	12
	Non-operating income and expenses (Note 19)				
7100	Interest income	3,502	1	3,047	1
7010	Other income	5,746	1	480	-
7020	Other gains and losses	7,888	1	22,624	4
7050	Finance costs	(6,341)	(1)	(3,362)	(1)
7000	Total non-operating income and expenses	10,795	2	22,789	4
7900	Profit before tax	86,944	13	94,901	16
7950	Income tax expense (Notes 20)	20,625	3	19,377	3
8200	Net profit for the year	66,319	10	75,524	13

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Code		For the Three Months Ended 2025 Amount	%	2024 Amount	%
	Other comprehensive income (Note 17)				
8310	Items that will not be reclassified to profit or loss				
8341	Exchange difference for the conversion of presentation currency	$ 15,081	2	$ 51,874	9
8360	Items that may be reclassified subsequently to profit or loss				
8361	Translation differences in financial statements from overseas operations	(7,958)	(1)	(39,465)	(7)
8300	Other net comprehensive income	7,123	1	12,409	2
8500	Total comprehensive income for the year	$ 73,442	11	$ 87,933	15
8600	Net profit attributable to:				
8610	Owners of the Company	$ 66,319	10	$ 75,524	12
8700	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 73,442	11	$ 87,933	15
	Earnings per share (Note 21)				
9710	Basic	$ 1.25		$ 1.46	
9810	Diluted	$ 1.25		$ 1.41	

The attached notes are part of the consolidated financial statements.

Chairman: Wang, Yuan-Lin Managerial Officer: Wang, Yuan-Lin Accounting Supervisor: Chen,Jen-Chung

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
January 1 to March 31, 2025 and 2024

Unit: NT$ thousand

Code		Share capital - common stock	Capital surplus	Retained earnings: Statutory surplus reserve	Retained earnings: Special surplus reserve	Retained earnings: Unappropriated earnings	Other equity items: Translation differences in financial statements from overseas operations	Total equity
A1	Balance as of January 1, 2025	$ 528,506	$ 308,743	$ 174,189	$ 295,809	$ 415,701	($ 275,477)	$1,447,471
	Appropriation of the 2024 Q4 earnings (Note 17)							
B1	Statutory surplus reserve	-	-	28,251	-	(28,251)	-	-
B3	Special surplus reserve	-	-	-	(20,332)	20,332	-	-
B5	Cash dividends	-	-	-	-	(221,973)	-	(221,973)
		-	-	28,251	(20,332)	(229,892)	-	(221,973)
C15	Distribution of cash dividends with capital reserve (Note 17)	-	(52,851)	-	-	-	-	(52,851)
D1	Net profit for the three months ended March 31,2025	-	-	-	-	66,319	-	66,319
D3	Other comprehensive income for the three months ended March 31,2025	-	-	-	-	-	7,123	7,123
D5	Total comprehensive income for the three months ended March 31,2025	-	-	-	-	66,319	7,123	73,442
I1	Conversion of convertible corporate bonds (Notes 13 and 17)	-	-	-	-	-	-	-
Z1	Balance as of March 31,2025	$ 528,506	$ 255,892	$ 202,440	$ 275,477	$ 252,128	($ 268,354)	$1,246,089
A1	Balance as of January 1, 2024	$ 516,772	$ 298,434	$ 151,170	$ 258,184	$ 374,707	($ 295,809)	$1,303,458
	Appropriation of the 2023 Q4 earnings (Note 17)							
B1	Statutory surplus reserve	-	-	23,019	-	(23,019)	-	-
B3	Special surplus reserve	-	-	-	37,625	(37,625)	-	-
B5	Cash dividends	-	-	-	-	(180,876)	-	(180,876)
		-	-	23,019	37,625	(241,520)	-	(180,876)
C15	Distribution of cash dividends with capital reserve (Note 17)	-	(51,679)	-	-	-	-	(51,679)
D1	Net profit for the three months ended March 31,2024	-	-	-	-	75,524	-	75,524
D3	Other comprehensive income for the three months ended March 31,2024	-	-	-	-	-	12,409	12,409
D5	Total comprehensive income for the three months ended March 31,2024	-	-	-	-	75,524	12,409	87,933
I1	Conversion of convertible corporate bonds (Notes 13 and 17)	2,636	14,101	-	-	-	-	16,737
Z1	Balance as of March 31,2024	$ 519,408	$ 260,856	$ 174,189	$ 295,809	$ 208,711	($ 283,400)	$1,175,573

The attached notes are part of the consolidated financial statements.

Chairman: Wang, Yuan-Lin　　Managerial Officer: Wang, Yuan-Lin　　Accounting Supervisor: Chen, Jen-Chung

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

January 1 to March 31, 2025 and 2024

Unit: NT$ thousand

		For the Three Months Ended	
Code		2025	2024
	Cash flows from operating activities		
A10000	Profit before tax for the period	$ 86,944	$ 94,901
A20010	Income and expense items		
A20100	Depreciation expenses	20,163	21,225
A20200	Amortization expenses	3,694	2,944
A20300	Expected credit impairment loss	10,270	2,159
A20400	Net gain from financial instruments at fair value through profit or loss	-	(1,016)
A20900	Finance costs	6,341	3,362
A21200	Interest income	(3,502)	(3,047)
A23700	Write-down (reversal) of inventories	2,376	(3,753)
A29900	Provision for (reversal of) refund liabilities	(789)	566
A29900	Provision for (reversal of) liabilities	691	(1,573)
A29900	Others	-	(176)
A30000	Net difference in operating assets and liabilities		
A31115	Financial instruments at fair value through profit or loss	-	346
A31150	Accounts receivable	99,887	(39,753)
A31180	Other receivables	(9,768)	(1,824)
A31200	Inventories	40,126	(19,688)
A31230	Prepayments	(5,460)	(11,511)
A31240	Other current assets	263	-
A32125	Contract liabilities	(2,467)	346
A32130	Notes payable	(9,012)	(2,547)
A32150	Accounts payable	(59,761)	61,642
A32180	Other payables	(11,808)	(12,611)
A32230	Other current liabilities	362)	(283)
A33000	Cash generated from operations	168,550	89,709
A33100	Interest received	1,612	1,971
A33300	Interest paid	(6,308)	(3,407)
A33500	Income tax paid	(26,907)	(16,704)
AAAA	Net cash generated from operating activities	136,947	71,569

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Code		For the Three Months Ended 2025	2024
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	($ 5,797)	($ 2,848)
B02800	Disposal of property, plant and equipment	-	190
B06500	Increase in other financial assets	(191,321)	(503)
B06700	Increase in other non-current assets	(2,259)	(1,533)
BBBB	Net cash outflow from investing activities	(199,377)	(4,694)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(23,944)	(6,259)
C04020	Repayment of the principal portion of lease liabilities	(428)	(126)
CCCC	Cash generated from/(used in) operations	(24,372)	(6,385)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(4,749)	(21,418)
EEEE	Increases (decreases) in cash and cash equivalents	(91,551)	39,072
E00100	Cash and cash equivalents at the beginning of the year	311,620	275,684
E00200	Cash and cash equivalents at the end of the year	$220,069	$314,756

The attached notes are part of the consolidated financial statements.

Chairman: Wang, Yuan-Lin Managerial Officer: Wang, Yuan-Lin Accounting Supervisor: Chen, Jen-Chung

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2025 and 2024

(In NT$ thousand, unless otherwise specified)

1. Company History

Fulin Plastic Industry (Cayman) Holding Co., Ltd. (hereinafter referred to as the "Company") was incorporated in the Cayman Islands on November 30, 2016 amidst the reorganization of the organizational structure for applying for listing on the Taiwan Stock Exchange Corporation (TWSC). In February 2017, the Company set up the Taiwan Branch of Fulin Plastic Industry (Cayman) Holding Co., Ltd., primarily engaged in the international trading business.

On the grounds of the equity swap agreement, the organizational structure of the Company was reorganized on March 31, 2017. After such reorganization, the Company became a holding company of the Vietnam-based Fulin Plastic Industry Company (Fulin Plastic).

The Company's stocks were officially listed in Taiwan Stock Exchange Corporation (TWSC) on December 24, 2018, in the stock code of 1341.

The functional currency of the Company is US$. As the Company is listed in Taiwan, to increase the comparability and consistency of its financial statements, amounts in the consolidated financial statements are presented by translating from US$ to NT$.

2. Date and Procedures for Passing the Consolidated Financial Statements

The consolidated financial statements were published after being resolved at the Board meeting on May 9, 2025.

3. Applicability of Newly Issued and Revised Standards and Interpretations

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

Amendments to IAS 21 " Lack of Exchangeability"

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company and its subsidiaries' accounting policies.

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New/revised/amended standards and interpretations	Effective date published by the IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments" concerning the revised application guidance for financial asset classification	January 1, 2026 （Note ）

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

(3) The IFRSs published by the IASB but not yet recognized and issued into effect by the FSC

New/revised/amended standards and interpretations	Effective date published by the IASB（Note）
" Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”- the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 "Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparison 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

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

Provides guidance to enhance the requirements of aggregation and disaggregation: The Company and its subsidiaries shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company and its subsidiaries labels items as “other” only if it cannot find a more informative label.

Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company and its subsidiaries as a whole, the Company and its subsidiaries shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Company and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summarized Remarks on Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRS Accounting Standards annual financial statements.

(2) Basis of preparation

In addition to the financial instruments measured at fair value, the consolidated financial statements have been prepared based on historical costs.

Fair value measurements are categorized into Level 1 to Level 3 based on the degree to which the inputs are observable and the significance of the inputs:

1. Level 1 input: Refers to the quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

2. Level 2 input: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.

3. Level 3 input: Unobservable inputs for the assets or liabilities.

(3) Basis of consolidation

1. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and entities owned by the Company (subsidiaries). The financial statements of subsidiaries have been reorganized to bring uniformity between their accounting policies and those of the Company. In preparation of the consolidated financial statements, all transactions, account balances, income and expenses between the entities have been written off.

2. Subsidiaries included in the consolidated financial statements

The entities in the preparation of the consolidated financial statements are as follows:

			Equity interests held Percentage (%)			
Subsidiary name	Primary business	Establishment and operating locations	March 31, 2025	December 31, 2024	March 31, 2024	Remarks
Fulin Plastic Industry Company (Fulin Plastic)	Production and sale of rubber leathers, latex leathers, tapes, soft Leather, PU, and non-woven fabric.	Vietnam	100	100	100	Note

Note: Established in Vietnam in 1997, Fulin Plastic completed its organizational restructuring at the end of March 2017, and held 100% shares in Fulin Plastic after the organizational restructuring.

(4) Other material accounting policies

Except for the following, refer to the summary of material accounting policies in the consolidated financial statements for the year ended December 31, 2024.

Taxation

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

5. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When the Consolidated Company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from original estimates.

When developing significant accounting estimates, the consolidated company incorporates potential impacts into the consideration of significant estimates, and management will continuously review the estimates and underlying assumptions.

The same material accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. Cash and Cash Equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working funds	$ 2,109	$ 467	$ 1,239
Checks and demand deposits in banks	131,802	137,973	93,667
Cash equivalents			
Bank fixed deposits with original maturity within 3 months	86,158	173,180	219,850
	$ 220,069	$ 311,620	$ 314,756

7. Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Arising from operations			
Measured at amortized cost			
Total carrying amount	$ 505,684	$ 599,367	$ 522,540
Less: Allowance for loss	29,755	19,323	20,891
	$ 475,929	$ 580,044	$ 501,649

The average credit period for the Consolidated Company's merchandise sales is 30 to 90 days. To lower credit risk, the Consolidated Company has appointed specific personnels to handle decisions on credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions are taken to recover overdue accounts receivable. In addition, the Consolidated Company reviews the recoverable amount of each receivable on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As such, the Consolidated Company's management concludes that the credit risk of the Consolidated Company has been significantly reduced.

The Consolidated Company recognizes loss allowance for accounts receivable based on the lifetime expected credit loss. Lifetime expected credit loss is calculated taking into account the customer's past default records, its current financial conditions, and industry and economic trends. As the Consolidated Company's historical experience of credit loss indicates no significant difference in the loss patterns between the different customer groups, the provision matrix does not classify customers into different groups but determines the expected credit loss rate solely based on the age of accounts receivable.

However, if evidence shows that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For example, The trading counterparty is undergoing liquidation, the Consolidated Company writes off a trade receivable and continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Consolidated Company's loss allowance for accounts receivable is as follows:

March 31, 2025

	No evidence of individual impairment					There is evidence of impairment	Total
	1-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days		
Expected credit loss rate (%)	0.5	0.5	3	30	100	100	
Total carrying amount	$ 381,987	$ 57,057	$ 12,912	$ 37,935	$ 4,989	$ 10,804	$ 505,684
Loss allowance (lifetime expected credit loss)	(1,909)	(285)	(387)	(11,381)	(4,989)	(10,804)	(29,755)
Amortized cost	$ 380,078	$ 56,772	$ 12,525	$ 26,554	$ -	$ -	$ 475,929

December 31, 2024

	No evidence of individual impairment					There is evidence of impairment	Total
	1-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days		
Expected credit loss rate (%)	0.5	0.5	3	30	100	100	
Total carrying amount	$ 444,213	$ 88,272	$ 40,940	$ 15,014	$ 189	$ 10,739	$ 599,367
Loss allowance (lifetime expected credit loss)	(2,222)	(441)	(1,228)	(4,504)	(189)	(10,739)	(19,323)
Amortized cost	$ 441,991	$ 87,831	$ 39,712	$ 10,510	$ -	$ -	$ 580,044

March 31, 2024

	No evidence of individual impairment					There is evidence of impairment	Total
	1-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days		
Expected credit loss rate (%)	0.5	0.5	3	30	100	100	
Total carrying amount	$ 368,660	$ 77,560	$ 44,012	$ 21,388	$ 184	$ 10,736	$ 522,540
Loss allowance (lifetime expected credit loss)	(1,847)	(388)	(1,320)	(6,416)	(184)	(10,736)	(20,891)
Amortized cost	$ 366,813	$ 77,172	$ 42,692	$ 14,972	$ -	$ -	$ 501,649

Information on changes in allowance for accounts receivable is as follows:

	For the Three Months Ended March 31	
	2025	2024
Opening balance	$ 19,323	$ 18,353
Provision for the year	10,270	2,159
Foreign currency translation differences	162	379
Closing balance	$ 29,755	$ 20,891

8. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	$ 141,550	$ 150,604	$ 156,783
Processing products	69,676	45,725	68,161
Raw materials	352,325	383,444	320,146
Components	33,374	24,832	30,940
In-transit inventory	36,613	63,515	27,366
	$ 633,538	$ 668,120	$ 603,396

The costs of inventories recognized as operating costs for the three months ended March 31, 2025 and 2024 were NT$531,526 thousand and NT$473,286 thousand, respectively, including:

	For the Three Months Ended March 31	
	2025	2024
Spare capacity cost	$ 11,937	$ 12,450
Loss on inventory valuation (Reversal of Loss on valuation)	2,376	(3,753)
	$ 14,313	$ 8,697

Reversal of loss on inventory was due to the disappearance of the factors that previously caused the net realizable value of inventories to be lower than the cost.

9. Other Financial Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Bank fixed deposit with original maturity date of over 3 months	$ 442,357	$ 246,300	$ 137,792
Interest rate range (%)	3.70～4.15	3.50～4.50	2.00～5.54

10. Property, plant and equipment

For the three months ended March 31, 2025

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost							
Balance as of January 1, 2025	$ 352,478	$1,357,509	$ 35,763	$ 10,000	$ 64,289	$ 11,921	$1,831,960
Additions	1,437	4,382	1,219	128	1,111	(211)	8,066
Disposal	(3,447)	(527)	-	(225)	-	-	(4,199)
Net exchange differences	2,096	8,025	213	49	390	(70)	10,843
Balance as of March 31, 2025	$ 352,564	$1,369,389	$ 37,195	$ 9,952	$ 65,790	$ 11,780	$1,846,670
Accumulated depreciation							
Balance as of January 1, 2025	$ 197,289	$1,008,192	$ 21,458	$ 8,809	$ 25,278	$ -	$1,261,026
Depreciation expenses	3,341	13,270	1,027	150	1,484	-	19,272
Disposal	(3,447)	(527)	-	(225)	-	-	(4,199)
Net exchange differences	1,178	6,036	133	47	157	-	7,551
Balance as of March 31, 2025	$ 198,361	$1,026,971	$ 22,618	$ 8,781	$ 26,919	$ -	$1,283,650
Balance as of December 31, 2024 & January 1, 2025	$ 155,189	$ 349,317	$ 14,305	$ 1,191	$ 39,011	$ 11,921	$ 570,934
Balance as of March 31, 2025	$ 154,203	$ 342,418	$ 14,577	$ 1,171	$ 38,871	$ 11,780	$ 563,020

For the three months ended March 31, 2024

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost							
Balance as of January 1, 2024	$ 341,616	$1,320,037	$ 33,671	$ 8,519	$ 42,646	$ 1,944	$1,748,433
Additions	243	253	2,592	758	2,858	(1,183)	5,521
Disposal	-	(391)	(1,267)	-	-	-	(1,658)
Net exchange differences	6,715	25,624	672	157	861	29	34,058
Balance as of December 31, 2024	$ 348,574	$1,345,523	$ 35,668	$ 9,434	$ 46,365	$ 790	$1,786,354
Accumulated depreciation							
Balance as of January 1, 2024	$ 180,333	$ 931,781	$ 18,532	$ 8,062	$ 20,524	$ -	$1,159,232
Depreciation expenses	3,523	14,725	890	120	932	-	20,190
Disposal	-	(377)	(1,267)	-	-	-	(1,644)
Net exchange differences	3,573	18,306	360	151	411	-	22,801
Balance as of December 31, 2024	$ 187,429	$ 964,435	$ 18,515	$ 8,333	$ 21,867	$ -	$1,200,579
Balance as of December 31, 2024	$ 161,145	$ 381,088	$ 17,153	$ 1,101	$ 24,498	$ 790	$ 585,775

The property, plant and equipment of the Consolidated Company are depreciated based on the straight-line method based on the following useful life:

Buildings	
Plants and office buildings	20 to 40 years
Engineering systems and warehouses	10 to 30 years
Others	4 to 10 years
Machinery and equipment	
Coating machine, calender, and tape machine	7 to 20 years
Others	1 to 7 years
Transportation equipment	5 to 8 years
Office equipment	3 to 8 years
Other equipment	1 to 25 years

The Consolidated Company conducted the following significant investing activities in the three months ended March 31, 2025 and 2024 that affected both cash and non-cash items. Information on cash used in the acquisition of property, plant, and equipment is as follows:

	For the Three Months Ended March 31	
	2025	2024
Increase in property, plant and equipment	$ 8,066	$ 5,521
Decrease in prepayments for equipment	(2,401)	(975)
Increase (Decrease) in equipment payable	132	(1,698)
Cash payment	$ 5,797	$ 2,848

11. Lease Agreement

(1) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Land	$ 20,457	$ 20,744	$ 21,964
Buildings	7,951	8,385	12,637
	$ 28,408	$ 29,129	$ 34,601

	For the Three Months Ended March 31	
	2025	2024
Depreciation expense of right-of-use assets		
Land	$ 410	$ 406
Buildings	481	629
	$ 891	$ 1,035

Except for the additions and recognition of depreciation expenses listed above, the consolidated company did not have any material subleases or impairment of right-of-use assets in the three months ended March 31st in 2025 and 2024.

(2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	$ 2,793	$ 2,741	$ 3,246
Non-current	$ 18,300	$ 18,613	$ 22,707

The discount rate (%) of lease liabilities is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	3.86	3.86	3.86
Buildings	2.99～6.69	2.99～6.69	2.99～6.69

(3) Significant lease activities and terms

Right-of-use assets - land is the right-of-use of Dong Nai plant in Vietnam acquired by our subsidiary, Fulin Plastic, in consideration of VND22,635 million, which is valid until July 2037. In addition, the Vietnam Haiphong plant is subject to a land use right lease agreement entered into with the Vietnamese government, with a term until July 2037. The rent is determined by the Vietnamese government every 5 years with reference to market conditions.

Right-of-use assets - building is the right-of-use office buildings leased by our subsidiary, Fulin Plastic, in Ho Chi Minh City, Hanoi, Da Nang and Can Tho, which will be successively expired until May 2033. The lease agreement in Can Tho City was early terminated in November 2024 and the lease agreement in Da Nang City will be expired in January 2025.

(4) Others lease information

	For the Three Months Ended March 31	
	2025	2024
Short-term rental expenses	$ 121	$ 30
Total cash outflow from lease	$ 685	$ 341

12. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loans			
Bank loans	$577,155	$594,255	$418,673
Annual interest rate (%)	3.60～4.66	3.8～4.75	2.61～4.00

13. Corporate Bonds Payable

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic unsecured convertible bonds	$ -	$ -	$ 56,949
Less: Portion recognized as due within one year	-	-	(56,949)
	$ -	$ -	$ -

On May 13, 2021, the Company issued 1,500 NT$-denominated unsecured convertible bonds with a 0% coupon rate in the ROC, with bond duration of 3 years and a total principal amount of NT$150,000 thousand.

The holder of the bonds is entitled to convert each unit of the bond to the ordinary share of the Company at the price of NT$ 75.8 per share. The conversion price shall be adjusted in accordance with the conversion price adjustment formula in the event of ex-rights or ex-dividend after the determination of the conversion price, which is NT$58.8 on May 13, 2024. The conversion period is from August 14, 2021 to May 13, 2024 and if the bonds are not converted at that time, 101.51% of the carrying amount of the bonds as on May 13, 2024 (yield to maturity of 0.5% per annum) will be repaid in one lump sum in cash.

If the closing price of the Company's ordinary shares on the centralized trading market exceeds 30% of the conversion price for 30 consecutive business days, or if the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Company may redeem all of the bonds at carrying amount in cash from the day following the third month of issuance until 40 days prior to the maturity date.

Holders of corporate bonds may also request the Company to redeem the bonds held by them for cash at 101.00% of the carrying amount of the bonds on the date when the bonds are 2 years old.

Convertible bonds comprise master contractual liability instruments and conversion rights, redemption rights and sale rights derivatives. The effective interest rate of 0.26% per annum originally recognized on the main contract component is measured at amortized cost using the effective interest method; the conversion option derivatives are measured at fair value through profit or loss.

The changes in the master contractual liability instruments and the conversion rights, redemption rights and sale rights derivatives from January 1 to March 31, 2024 are as follows:

January 1 to March 31, 2024

	Master contractual liability	Conversion rights, redemption rights and sale rights
Opening balance	$ 72,630	$ 4,647
Interest costs	49	-
Net loss from changes in fair value	-	(835)
Corporate bonds payable transferred to common shares	(15,730)	(1,007)
Maturity date (May 13, 2024)	$ 56,949	$ 2,805

The corporate bonds matured on May 13, 2024, and were all redeemed or converted into common shares.

14. Notes Payable and Accounts Payable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable			
Arising from operations	$ 16,543	$ 25,332	$ 22,395
Accounts payable			
Arising from operations	$222,460	$279,488	$212,421

15. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Salary and bonus payable	$ 41,264	$ 55,087	$ 35,987
Payables on equipment	6,381	6,428	5,327
Utility expenses payable	5,153	4,577	5,197
Freight payable	4,623	4,861	5,066
Others	19,367	16,831	15,562
	$ 76,788	$ 87,784	$ 67,139

16. Post-employment Benefit Plan

Our subsidiary, Fulin Plastic, is a member of the definitive post-employment benefit plan promulgated by the government of Vietnam. Fulin Plastic shall contribute a certain percentage of salaries to the post-employment benefit plan in order to contribute to the fund. Obligations of the Consolidated Company towards the government-operated pension plan are limited to its contributions of specific amounts.

The pension system from "Labor Pension Act" applicable to the Taiwanese subsidiaries of the Company under the Consolidated Company is a defined contribution plan under government administration. The Consolidated Company contributes 6% of the employee's monthly salary to the personal account under the Bureau of Labor Insurance.

17. Equity

(1) Share capital - common stock

Unit: Thousand shares/NT$ thousand

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares	100,000	100,000	100,000
Authorized capital	$1,000,000	$1,000,000	$1,000,000
Number of shares issued and fully paid	52,851	52,851	51,941
Issued capital	$ 528,506	$ 528,506	$ 519,408

Common stocks are issued with a par value of NT$10 per share and each common stock represents a right to vote and receive dividends.

The share capital increased by NT$2,636 thousand for the three months ended March 31, 2024, due to the conversion of corporate bonds to shares exercised by the bond holders.

As of March 31, 2025, the Company had 52,851 thousand issued shares and a paid-up share capital of NT$528,506 thousand.

(2) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
For covering loss, cash distribution, or capitalization (Note)			
Stock issuance premium	$255,892	$308,743	$260,856

Note: Refers to the difference between the amount of equity in Fulin Plastic and the Company's issued share capital on the base date of the reorganization during the organizational restructuring of the Company.

(3) Retained earnings and dividend policy

According to the earnings distribution policy of the Company's Articles of Incorporation, in case of earnings in the annual accounts, after paying all related taxes, making up accumulated loss, and provision of 10% of the statutory surplus reserve, and after making the special reserve required by the securities competent authorities of the Republic of China in accordance with the rules of public companies or the provision approved by the Board of Directors of the Company, the Company may, by resolution at the general shareholders meeting, pay dividends to the shareholders in proportion to the shareholders' shareholding in an amount no less than 10% of the remaining distributable earnings of the year. The amount of cash dividends shall not be less than 10% of the total dividends paid for the year. For the employee and director remuneration distribution policy, please refer to Note 19 (7)

Employee and Director Remuneration.

The amended Articles of Incorporation specifies that the Company may distribute dividends at the end of each accounting period, and also at the end of each quarter. However, in circumstances where the Board resolves not to distribute dividend at a specific quarter end, the Board shall confirm not to distribute dividend for that quarter by resolution. However, in circumstances where the Board resolves not to distribute dividend at a specific quarter end, the Board shall confirm not to distribute dividend for that quarter by resolution. If the said dividends are distributed in forms of cash or others, such matter shall be determined by a majority of the directors at a meeting attended by two-thirds or more of the total number of directors, and then reported to the most recent shareholders' meeting. In circumstances where the Company issues new shares by dividends, such matter shall be resolved at a shareholders' meeting by supermajority resolution.

In accordance with the Company's Articles of Incorporation, the statutory surplus reserve shall be allocated at least until its balance reaches the Company's total paid-in capital, and may be distributed to shareholders in cash in addition to capitalization.

Provision and reverse of the special reserve are made by the Company in accordance with the Order Jin-Guan-Zheng-Fa-Zi No. 1090150022 from the FSC and "Q&A on the Applicability of the Appropriation of Special Reserve after the Adoption of the International Financial Reporting Standards (IFRSs)."

The Company's interim earnings distribution for the year 2024 and the cash dividends resolved at board meetings are as follows:

	2023 Q4
Date of Board Resolution	March 7, 2024
Statutory surplus reserve	$ 23.019
Special surplus reserve	$ 37,625
Cash dividends	$180,876
Cash dividend capital bonus for each share (NT$)	$ 3.5

In addition, the Company decided to distribute cash dividends (NT$1 per share) with a capital reserve stock issuance premium of NT$51,679 thousand at the meeting of the Board of Director on March 7, 2024.

The above cash dividends have been appropriated by the Board of Directors' resolution, and the profit distribution items were resolved at the annual shareholders' meeting held on June 12, 2024.

The Company's Board of Directors resolved not to distribute dividends for the first three quarters of 2024 on May 6, August 15, and November 8, 2024, respectively.

The Company's interim earnings distribution for the year 2024 and the cash dividends resolved at board meetings are as follows:

	2024 Q4
Date of Board Resolution	March 6, 2025
Statutory surplus reserve	$ 28,251
Reversal of special surplus reserve	(20,332)
Cash dividends	$221,973
Cash dividend capital bonus for each share (NT$)	$ 4.2

In addition, the Company decided to distribute cash dividends (NT$1 per share) with a capital reserve stock issuance premium of NT$52,851 thousand at the meeting of the Board of Director on March 6, 2025.

The above cash dividends have been appropriated by the Board of Directors' resolution, and the profit distribution items were resolved at the annual shareholders' meeting held on May 29, 2025.

(4) Translation differences in financial statements from overseas operations

	For the Three Months Ended March 31	
	2025	2024
Opening balance	($275,477)	($295,809)
Exchange difference for the conversion of presentation currency	15,081	51,874
Translation differences in financial statements from overseas operations	(7,958)	(39,465)
Closing balance	($268,354)	($283,400)

18. Revenue

	For the Three Months Ended March 31	
	2025	2024
Revenue from customer contracts		
Revenue from sales of goods	$ 690,050	$ 605,623

(1) Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Net accounts receivable (Note 7)	$ 475,929	$ 580,044	$ 501,649	$ 444,488
Contract liabilities				
Sale of goods	$ 12,636	$ 14,966	$ 10,021	$ 9,278

Changes in contract liabilities are mainly attributable to the difference between the timing of fulfilling performance obligations and the timing of customers' payment. There were no other significant changes.

(2) Breakdown of revenue from customer contracts

	For the Three Months Ended March 31	
	2025	2024
Revenue from sales of goods		
Latex leathers	$ 446,435	$ 393,242
Soft leather	75,397	79,124
Tape	71,402	76,908
PU/TPU	90,916	50,811
Others	5,900	5,538
	$ 690,050	$ 605,623

19. Profit before tax

(1) Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	$ 3,502	$ 3,047

(2) Other income

	For the Three Months Ended March 31	
	2025	2024
Indemnification income	$ 4,166	$ -
Others	1,580	480
	$ 5,746	$ 480

(3) Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Net profit from foreign exchange	$ 8,768	$ 22,385
Net profit from Financial instruments at fair value through profit or loss	-	1,016
Others	(880)	(777)
	$ 7,888	$ 22,624

(4) Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	$ 6,175	$ 3,098
Interest on lease liabilities	166	215
Convertible bonds	-	49
	$ 6,341	$ 3.362

(5) Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	$ 19,272	$ 20,190
Right-of-use assets	891	1,035
Other non-current assets and intangible assets	3,694	2,944
	$ 23,857	$ 24,169

	For the Three Months Ended March 31	
	2025	2024
Depreciation expenses summarized by function		
Operating costs	$15,932	$ 17,226
Operating expenses	4,231	3,999
	$ 20,163	$ 21,225
Amortization of other non-current assets and intangible assets summarized by function		
Operating costs	$ 3,044	$ 2,349
Operating expenses	650	505
	$ 3,694	$ 2,944

(6) Employee benefit expenses

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 82,920	$ 71,115
Benefits after retirement		
Defined contribution plans (Note 16)	5,596	5,145
	$ 88,516	$ 76,260
Summarized by functions		
Operating costs	$ 51,466	$ 45,118
Operating expenses	37,050	31,142
	$ 88,516	$ 76,260

(7) Employee and director remuneration

In accordance with the Company's Articles of Incorporation, the Company contributes 1% to 10% and no more than 3% of its net profit before tax before the distribution of employee and director remuneration to employee remuneration and director remuneration. The compensation of employees were accrued at 3.0% and 2.5% for the three months ended March 31, 2025 and 2024 respectively, and the amount were NT$2,738 thousand and NT$2,458 thousand for the three months ended March 31, 2025 and 2024 respectively.

Changes made to the amount after the publication of the annual consolidated financial statements shall be accounted for in accordance with estimated accounting changes and will be recognized in the financial statements of the following year.

The 2024 and 2023 employee and director remunerations resolved at the Board meetings on March 6, 2025 and March 7, 2024 are as follows:

Unit: US$ Thousand

2024

	Provision ratio (%)	Estimated amount in financial statements	Amount resolved at Board meeting
Employee remuneration	2.5	$ 290	$ 290
Director remuneration	-	-	-

2023

	Provision ratio (%)	Estimated amount in financial statements	Amount resolved at Board meeting
Employee remuneration	2	$ 193	$ 193
Director remuneration	-	-	-

There was no difference between the actual amount of employee compensation allotted in 2024 and 2023 and the amount recognized in the annual consolidated financial statements.

Information on the employee and director remuneration approved at the Board meeting is available at the Market Observation Post System of Taiwan Stock Exchange Corporation.

(8) Profit from foreign exchange

	For the Three Months Ended March 31	
	2025	2024
Total foreign exchange gain	$ 11,688	$ 23,852
Total foreign exchange loss	(2,920)	(1,467)
Net profit	$ 8,768	$ 22,385

20. Income tax

(1) Main composition of income tax recognized in profit or loss

	For the Three Months Ended March 31	
	2025	2024
Current income tax		
Accrued in the year	$ 21,286	$ 16,955
Adjustments for previous years	2,016	(46)
	23,302	16,909
Deferred income tax		
Accrued in the year	(2,677)	2,468
	$ 20,625	$ 19,377

The Company is exempt from profit-seeking enterprise income tax in accordance with local laws. The statutory tax rate applicable to the Taiwanese branch and the subsidiary, Fulin Plastic, is 20%.

(2) Income tax approvals

The income tax returns of the Company's Taiwan branch have been examined by the tax authorities for the years ending 2023.

21. Earnings per share

The weighted average number of common stock for calculating earnings per share and the weighted average number of common stock are as follows:

	For the Three Months Ended March 31	
	2025	2024
Net profit attributable to the owners of the Company	$ 66,319	$ 75,524
Effect of potential ordinary shares with dilution		
Convertible bonds	-	(786)
Net profit for calculating diluted earnings per share	$ 66,319	$ 74,738

Number of shares

Unit: 1,000 shares

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares for calculating basic earnings per share	52,851	51,709
Effect of potential ordinary shares with dilution		
Employee remuneration	135	109
Convertible bonds	-	1,186
Weighted average number of ordinary shares for calculating diluted earnings per share	52,986	53,004

If the Consolidated Company elected to distribute employees' remuneration by way of shares or cash, the calculation of diluted earnings per share should assume that the remuneration is paid in the form of shares, the dilutive potential ordinary shares should also be included in the weighted average number of outstanding shares to calculate the diluted earnings per share. The dilutive effect of such potential common stocks shall continue to be considered when calculating the diluted earnings per share before the number of shares to be distributed as employee remuneration is resolved at the Board meeting in the following year.

22. Capital Risk Management

The Consolidated Company conducts capital management to ensure that companies under the Group are able to maximize the benefit for its shareholders by optimizing debt and equity, provided that it is operating as a going concern.

The Consolidated Company's capital structure consists of its net debt (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Company (i.e., share capital - common stock, capital surplus, retained earnings, and other equity).

The Consolidated Company is not required to comply with other external capital requirements.

23. Financial instruments

(1) Information on fair value - financial instruments not measured at fair value

Except the items listed in the following table, management of the Consolidated Company considers that the carrying amount of financial assets and liabilities not measured at fair value are close to the fair value.

March 31, 2024

	Carrying amount	Fair value			
		Class 1	Class 2	Class 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 56,949	$ -	$ -	$ 56,874	$ 56,874

(2) Information on fair value - financial instruments measured at fair value on a recurring basis

1. Fair value

March 31, 2024

	Class 1	Class 2	Class 3	Total
Financial liabilities measured at fair value through profit and loss				
Conversion rights, redemption rights, and put options of convertible corporate bonds	$ -	$ -	$ 2,805	$ 2,805

There were no transfers between Level 1 and Level 2 fair value measurements in the three months ended March 31, 2025 and 2024.

2. Adjustment of financial instruments measured at fair value in Class 3

For the three months ended 2024

	Financial liabilities at fair value through profit or loss
Opening balance	$ 4,647
Corporate bonds payable transferred to common shares	(1,007)
Recognized in profit or loss (other profits and losses)	(835)
Maturity date	$ 2,805

3. Valuation techniques and inputs measured at Class 3 fair value

The fair value of the components of convertible bond liabilities and the stock options embedded therein were assessed using a binary tree convertible bond valuation model, and the significant unobservable inputs used were estimated using liquidity risk parameters.

(3) Types of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at amortized cost (Note 1)	$ 1,156,163	$ 1,144,005	$ 960,812
Financial liabilities			
Measured at fair value through profit and loss			
To be measured at fair value through profit and loss	-	-	2,805
Financial liabilities at amortized cost (Note 2)	892,946	986,859	777,577

Note 1: The balance includes financial assets at amortized cost, including cash and cash equivalents, accounts receivable, other receivables, other financial assets, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term loans, notes and accounts payable, other payables, and corporate bonds payable due within one year.

(4) Objectives and policies related to financial risk management

The primary financial instruments of the Consolidated Company include accounts receivable, accounts payable, corporate bonds payable, borrowings, and lease liabilities. The finance management department of the Consolidated Company provides services to business units and coordinates operations in the domestic and overseas financial markets by supervising internal risk exposure reports and managing financial risks related to the operations of the Consolidated Company in accordance with the risk level and breadth analysis. Such risks include market risks (including exchange rate risks and interest rate risks), credit risks, and liquidity risks.

The Consolidated Company hedges its exposure to risk through derivative financial instruments to mitigate the effects of those risks. None of the trading of financial instruments are made for the purpose of speculation. The finance department regularly reports on management of the Consolidated Company.

1. Market risks

The Consolidated Company's activities are primarily exposed to the financial risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

(1) Foreign exchange risk

The Consolidated Company is engaged in the sales and purchases denominated in foreign currencies, resulting in the exposure to changes in interest rates. The Consolidated Company manages its exchange rate risk by using currency swap and forward foreign exchange contracts to manage the risk to the extent permitted by the policy.

Please refer to Note 26 for the Consolidated Company's carrying amounts of monetary assets and monetary liabilities denominated in non-functional currency denominated at the consolidated balance sheet date.

Sensitivity analysis

The Consolidated Company is mainly exposed to fluctuations of US$ and NT$ exchange rates. The following table illustrates a detailed sensitivity analysis of the Consolidated Company when the functional currency increases and decreases by 1% against US$ and NT$. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the adjustment of their translation at the end of the period for a 1% change in exchange rate. The scope of the sensitivity analysis includes bank deposits, accounts receivable, corporate bonds payable, and borrowings. Positive figures in the table below indicates the amount of increase in profit before tax when the functional currency appreciates by 1% against US$. When the functional currency depreciates by 1% against US$, the impact on the net profit before tax will be the negative sum of the same amount.

	Impact of US$	
	For the Three Months Ended March 31	
	2025	2024
In profit or loss	($ 207)	$3,973

	Impact of NT$	
	For the Three Months Ended March 31	
	2025	2024
In profit or loss	$2,761	$2,907

(2) Interest rate risk

The interest rate risks generated are mainly from the funds borrowed by the Consolidated Company on fixed and floating interest rates simultaneously. The Consolidated Company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amount of financial assets and financial liabilities of the Consolidated Company are exposed to the following interest rate risks on the balance sheet date:

	March 31, 2025	December 31, 2024	March 31, 2024
Interest rate risks with fair values			
Financial liabilities	$ -	$ -	$ 56,949
Interest rate risks with cash flows			
Financial assets	97,362	98,231	49,730
Financial liabilities	577,155	594,255	418,673

The fair value risk of fixed-rate time deposits and lease liabilities held by the Consolidated Company is not material.

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of derivative and non-derivative instruments to the interest rates on balance sheet date. The analysis of floating rate assets and liabilities is based on the assumption that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period.

If an interest rate increases/decreases by 1%, with all other variables held constant, the Consolidated Company's net profit before tax will decrease/increase by NT$1,199 thousand and NT$922 thousand for the three months ended March 31, 2025 and 2024, respectively, primarily due to the Consolidated Company's borrowings and bank deposits with variable interest rates.

2. Credit risk

Credit risks refer to the risks causing financial loss to the Group due to the default of the counterparty in performing contractual obligations. As at the balance sheet date, the Consolidated Company’s maximum exposure to credit risk resulting in a financial loss due to the default of the counterparty in performing contractual obligations is primarily arising from the carrying amount of the financial assets recognized in the balance sheet.

The Consolidated Company's policy is to trade only with trustworthy counterparties and to continuously monitor credit risk and credit ratings of counterparties, and to spread the total transaction amount to clients whose credit ratings are qualified. Credit risks are controlled through periodic review and approval of counterparty credit limits.

In the accounts receivable as at March 31, 2025, December 31, 2024 and March 31, 2024, the customers with concentrated credit risk are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Company A	$205,145	$239,629	$ 172,351

At March 31, 2025, December 31, 2024 and March 31, 2024, the percentages of total accounts receivable from the aforementioned companies were 41%, 40% and 33%, respectively.

3. Liquidity risk

The Consolidated Company supports the group's operation and reduces the impact brought by cash flow fluctuation by managing and maintaining sufficient cash and cash equivalents. The Consolidated Company's management supervises the utilization of bank financing and ensures compliance with the terms of loan contracts.

Bank loans are significant sources of liquidity for the Consolidated Company. For the unutilized financing amount of the Consolidated Company, please refer to the financing amount described in (2) below.

(1) Table of liquidity of non-derivative financial liabilities and interest risk

The contractual maturity analysis of balances for non-derivative financial liabilities is prepared based on the earliest date in which the Consolidated Company is required to repay the loans, based on the undiscounted cash flows of the financial liabilities (including principal and estimated interest). Therefore, the following table presents the bank loans required to be repaid immediately by the Consolidated Company, regardless of the probability of exercising such rights by the bank. The analysis of the maturity of other non-derivative liabilities is prepared in accordance with the agreed repayment date.

The undiscounted interest relating to the cash flow for repaying interest at floating interest rates is estimated according to the interest rates on the balance sheet date.

March 31, 2025

	1 to 3 months	3 months to 1 year	More than 1 year
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 561,703	$ 28,912	$ -
Lease liabilities	913	2,672	26,335
Variable-rate instruments	317,374	265,871	-
	$ 879,990	$ 297,455	$ 26,335

Further information on the maturity analysis of the above financial liabilities is as follows:

	Within 1 year	1-5 years	5-10 years	More than 10 years
Lease liabilities	$ 3,585	$ 11,610	$ 10,285	$ 4,440

December 31, 2024

	1 to 3 months	3 months to 1 year	More than 1 year
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 383,103	$ 9,501	$ -
Lease liabilities	915	2,745	27,836
Variable-rate instruments	214,147	387,290	-
	$ 598,165	$ 399,536	$ 27,836

Further information on the maturity analysis of the above financial liabilities is as follows:

	Within 1 year	1-5 years	5-10 years	More than 10 years
Lease liabilities	$ 3,660	$ 12,711	$ 10,305	$ 4,820

March 31, 2024

	1 to 3 months	3 months to 1 year	More than 1 year
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 525,837	$ 8,673	$ -
Lease liabilities	1,110	3,206	31,457
Variable-rate instruments	121,383	301,676	-
Fixed-rate instruments	56,949	-	-
	$ 705,279	$ 313,555	$ 31,457

Further information on the maturity analysis of the above financial liabilities is as follows:

	Within 1 year	1-5 years	5-10 years	More than 10 years
Lease liabilities	$ 4,316	$ 14,922	$ 11,513	$ 5,022

(2) Financing Facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank borrowing limit			
Amount used	$ 577,155	$ 594,255	$ 418,673
Amount unused	1,522,194	1,433,680	1,648,785
	$ 2,099,349	$ 2,027,935	$ 2,067,458

24. Related-Party Transactions

Transactions, account balances, and revenues and gains and expenses and losses within the Consolidated Company have been eliminated on consolidation and thus are not disclosed in this note. Transactions between the Consolidated Company and other related parties are as follows:

(1) Name and relation of related parties

Name of related party	Relationship with the Consolidated Company
Hongyu Concrete Industrial Co., Ltd.	Related party in substance
Wang, Yuan-Lin	Chairman of the Company

(2) Payables to related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Other Payables Substantial Related Parties	$ 30	$ -	$ 30

(3) Endorsements and guarantees

Certain long-term and short-term borrowings of the Consolidated Company's were collaterally guaranteed by Wang, Yuan-Lin, the Company's Chairman, as of March 31, 2025, December 31, 2024 and March 31,2024.

(4) Others

The Company's Taiwanese branch is rented from a substantial related party for a term until the end of December 2025. Rental expenses for the period ended March 31, 2025 and 2024 were both NT$30 thousand, which were recognized under operating expenses.

(5) Key management remuneration

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	$ 2,643	$ 2,729
Benefits after retirement	7	8
	$ 2,650	$ 2,737

25. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) The unutilized letters of credit issued for the purchase of raw materials of the Consolidated Company is as follows:

Unit: US$ Thousand

	March 31, 2025	December 31, 2024	March 31, 2024
US$	$ -	$ 1,325	$ 1,228

(2) Unrecognized contract commitments of the Consolidated Company are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Purchase of property, plant and equipment	$ 5,762	$ 7,198	$ 5,853

26. Exchange Rate of Financial Assets and Liabilities Denominated in Foreign Currencies with Significant Impact

The following information was summarized by foreign currencies other than the functional currency of the Consolidated Company. The exchange rates disclosed were those used to translate the foreign currencies into the functional currency. Information on foreign currency assets and liabilities with significant impact is as follows:

Unit: Thousands Dollar for foreign currencies/
Thousands Dollar for NTD/Dollar for Exchange rate

	Foreign currency	Exchange rate		Carrying amount
March 31, 2025				
Monetary Foreign Financial Assets				
US$	$ 9,998	25,563	(US$：VND)	$ 331,940
US$	4,443	33.2	(US$：NT$)	147,503
Monetary Foreign Financial Liabilities				
US$	13,813	25,563	(US$：VND)	458,765
NT$	276,098	0.030	(NT$：US$)	276,098
December 31, 2024				
Monetary Foreign Financial Assets				
US$	$ 11,499	25,414	(US$：VND)	$ 377,297
US$	4,112	32.81	(US$：NT$)	134,826
Monetary Foreign Financial Liabilities				
US$	15,843	25,414	(US$：VND)	519,837
NT$	1,000	0.030	(NT$：US$)	1,000
March 31, 2024				
Monetary Foreign Financial Assets				
US$	10,363	24,802	(US$：VND)	331,716
US$	3,684	32.01	(US$：NT$)	117,917
Monetary Foreign Financial Liabilities				
US$	26,459	24,802	(US$：VND)	846,965
NT$	290,654	0.031	(NT$：US$)	290,654

Foreign exchange gains or losses with significant influence (including realized and unrealized) are as follows:

Foreign currency	Exchange rate		Net foreign exchange gain (loss)
For the three months ended March 31, 2025			
US$	25,439	(US$：VND)	$ 4,018
US$	32.89	(US$：NT$)	1,974
NT$	0.030	(NT$：US$)	2,776
			$ 8,768
For the three months ended March 31,2024			
US$	24,570	(US$：VND)	$11,762
US$	31.45	(US$：NT$)	4,367
NT$	0.032	(NT$：US$)	6,256
			$22,385

27. Note Disclosures

(1) Information on Significant Transactions：

1. Funds provided to others: See Table 1.

2. Endorsements/Guarantees Provided to Others: None.

3. Marketable securities held at the end of the period (controlling interests in subsidiaries, associates, and joint venture are not included): None.

4. Purchases from or sales to related parties in excess of NT$100 million or 20% of the paid-in capital: None.

5. Receivables from related parties in excess of NT$100 million or 20% of its paid-in capital: See Table 2.

6. Others: Business Relations, Material Transactions, and Amounts between the Parent Company and Subsidiaries: See Table 3.

(2) Information on Investees：See Table 4.

(3) Information on Investments in Mainland China

1. The mainland China investees' names, principal business activities, paid-in capital, investment method, cash inflow and outflow, shareholding, profit or loss for the period,

investment profit or loss recognized, carrying amount of the investment at the end of the period, remittance of investment profit or loss, and limit on the amount of investment in the mainland China: None.

2. Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   (1) Purchase amount and percentage, and the ending balance and percentage of payables.

   (2) Sales amount and percentage, and the ending balance and percentage of receivables.

   (3) Property transaction amount and the resulting gain or loss.

   (4) Ending balance of endorsement, guarantee or collateral provided and their purposes.

   (5) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.

   (6) Other transactions having a significant impact on profit or loss or financial status of the period, such as providing or receiving services.

28. Segment Information

The information is provided to the main business decision-maker to allocate resources and assess the performance of each department and focus on each operating entity and the type of product or service provided. Segments of the Consolidated Company to be reported are as follows:

- Fulin Plastic Industry Company (Fulin Plastic) - Primarily engages in the production and sales of latex leathers, tapes and soft leathers.
- Other segments: Fulin Plastic Industry (Cayman) Holding Co., Ltd.

The revenue and operating results of the Consolidated Company are analyzed by reportable segments as follows:

	Fulin Plastic	Others	Adjustments and write-off	Total
For the three months ended March 31, 2025				
Revenue from customers other than those of the parent company and consolidated subsidiaries	$ 690,050	$ -	$ -	$ 690,050
Revenue from customers of the parent company and consolidated subsidiaries	-	64,516	(64,516)	-
Total revenue	$ 690,050	$ 64,516	($ 64,516)	$ 690,050
Segment profit	$ 75,046	$ 1,103	$ -	$ 76,149
Interest income				3,502
Other income				5,746
Other gains and losses				7,888
Finance costs				(6,341)
Profit before tax				86,944
Income tax				(20,625)
Net profit after tax				$ 66,319
March 31, 2025				
Total assets	$2,255,715	$ 439,020	($ 200,956)	$2,493,779

	Fulin Plastic	Others	Adjustments and write-off	Total
For the three months ended March 31, 2024				
Revenue from customers other than those of the parent company and consolidated subsidiaries	$ 605,623	$ -	$ -	$ 605,623
Revenue from customers of the parent company and consolidated subsidiaries	-	66,321	(66,321)	-
Total revenue	$ 605,623	$ 66,321	($ 66,321)	$ 605,623
Segment profit (loss)	$ 71,634	$ 478	$ -	$ 72,112
Interest income				3,047
Other income				480
Other gains and losses				22,624
Finance costs				(3,362)
Profit before tax				94,901
Income tax				(19,377)
Net profit after tax				$ 75,524
March 31, 2024				
Total assets	$2,167,730	$ 665,025	($ 572,039)	$2,260,716

The segment profit refers to the profit earned by each segment, excluding interest income, gains or losses on disposal of property, plant and equipment, gains or losses on valuation of financial instruments, finance costs, foreign exchange gains or losses, and income tax expenses. The assessment is provided to the main business decision-maker to allocate resources to segments and assess their performance.

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

FUNDS PROVIDED TO OTHERS

For the Three Months Ended March 31,2025

Table 1

Unit: NT$ thousand or thousand in foreign currency (unless otherwise specified)

No.	Lender	Borrower	Financial statement account	Related party	Highest balance for the period	Closing balance	Amount Actually Drawn	Interest rate range (%)	Nature of loan	Business transaction amount	Reasons for short-term loans	Allowance provided for bad debts recognized	Collateral		Limit of loan permitted to a single entity	Aggregate limit of loans	Remark
													Name	Value			
0	The Company	Fulin Plastic Industry Company	Other receivables - related party	Yes	$99,600 (US$3,000)	$99,600 (US$3,000)	$99,600 (US$3,000)	-	Short-term loan	$ -	Operating capital	$ -	-	$ -	$ 124,609	$ 498,436	Notes 1 and 2

Note 1: US dollars are translated at the spot exchange rate of US$1 = NT$33.20.

Note 2: The limit of loans to a single entity where there is financial need for short-term loans shall not exceed 10% of the Company’s net worth; the aggregate limit of loans shall not exceed 40% of the Company’s net worth.

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES IN EXCESS OF NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Three Months Ended March 31,2025

Table 2.

Unit: NT$ thousand (unless otherwise specified)

Names of trading party	Counterparty	Relationship with the trading party	Balance of the Receivables from Related Parties (Note)	Turnover	Overdue Receivables From Relative Parties		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Fulin Plastic Industry Company	Parent company to subsidiary	$ 101,356	2.61	$ -	-	$24,540	$ -

Note: It has already been written off during the preparation of the consolidated financial statements.

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

BUSINESS RELATIONS, MATERIAL TRANSACTIONS, AND AMOUNTS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

For the Three Months Ended March 31,2025

Table 3.

Unit: NT$ thousand (unless otherwise specified)

No.	Names of trading party	Counterparty	Relationship with the trading party	Transactions			
				Item	Amount	Terms of transaction	Ratio to consolidated total revenue or assets (%)
0	The Company's branch in Taiwan	Fulin Plastic Industry Company	Parent company to subsidiary	Sales revenue	$ 64,516	No transaction in a manner same as a non-related party	9.35
0	The Company's branch in Taiwan	Fulin Plastic Industry Company	Parent company to subsidiary	Accounts receivable	101,356	No transaction in a manner same as a non-related party	4.06
0	The Company	Fulin Plastic Industry Company	Parent company to subsidiary	Other receivables	99,600	No transaction in a manner same as a non-related party	3.99

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTEE COMPANIES

For the Three Months Ended March 31,2025

Table 4.

Unit: NT$ thousand (unless otherwise specified)

Name of investment company	Name of investee company	Location	Primary business	Original investment amount		Shareholding at the end of the year			Profit of the investee company for the year	Investment income recognized for the year	Remark
				End of the year	Beginning of the year	Number of shares (thousand shares)	Percentage (%)	Carrying amount			
The Company	Fulin Plastic Industry Company	Vietnam	Production and sale of rubber leathers, latex leathers, tapes, soft Leather, PU, and non-woven fabric.	$ 752,644	$ 696,649	45,552	100.00	$ 1,142,969	$ 60,507	$ 60,507	Notes 1 and 2

Note 1: It has already been written off during the preparation of the consolidated financial statements.

Note 2: At the end and the beginning of the period, the original investment amounted to approximately US$22,670 thousand and US$22,670 thousand, which were translated at the spot exchange rates of 33.20 and 32.81, respectively.