

Stock Code: 1452

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Consolidated Financial Statements
and Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023

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Independent Auditors' Review Report

To Hong Yi Fiber Ind. Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Hong Yi Fiber Ind. Co., Ltd. and its subsidiaries (the “Group”) as of September 30, 2024 and 2023, the related 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, the consolidated statements of changes in equity, and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparations 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 an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance 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 Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Jiunn-Huei Ko and Chun-Chun Chang.

BDO Taiwan

November 5, 2024

Notice to Readers

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 ROC and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the ROC.

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 ROC. 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 auditors’ review report and consolidated financial statements shall prevail.

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Consolidated Balance Sheets

Unit: NT\$ thousand

Assets	Note	September 30, 2024 (Reviewed)		December 31, 2023 (Audited)		September 30, 2023 (Reviewed)		Liabilities and Equity	Note	September 30, 2024 (Reviewed)		December 31, 2023 (Audited)		September 30, 2023 (Reviewed)	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets								Current liabilities							
Cash and cash equivalents	6(a)	\$ 704,259	24	\$ 676,783	23	\$ 608,333	22	Contract liabilities-current		\$ 2,312	-	\$ 1,699	-	\$ 9,585	-
Financial assets at fair value through profit or loss-current	6(b)	199,996	7	198,913	7	472,836	17	Notes payable	6(l)	29,231	1	21,872	1	24,960	1
Financial assets at fair value through other comprehensive income-current	6(c)	14,668	-	15,539	1	16,146	1	Accounts payable	6(l)	8,981	-	8,318	-	6,452	-
								Other payables	6(m)	65,822	3	74,961	3	54,519	2
Financial assets at amortized cost-current	6(d)	571,387	19	566,387	19	413,607	15	Current tax liabilities		7,538	-	590	-	188	-
Notes receivable, net	6(e)	23,552	1	56,106	2	51,563	2	Provisions-current	6(n)	5,140	-	5,140	-	4,830	-
Accounts receivable, net	6(e)	191,604	7	169,216	6	117,995	4	Lease liabilities-current	6(dd)	1,771	-	1,723	-	591	-
Other receivables		1,777	-	1,475	-	1,615	-	Other current liabilities		2,956	-	2,394	-	2,602	-
Current tax assets		335	-	278	-	164	-	Total current liabilities		<u>123,751</u>	<u>4</u>	<u>116,697</u>	<u>4</u>	<u>103,727</u>	<u>3</u>
Inventories	6(f)	203,993	7	240,879	8	247,399	9	Non-current liabilities							
Prepayments	6(g)	161,696	6	103,852	4	61,199	2	Deferred income tax liabilities		45,401	2	45,082	2	50,520	2
Other current assets		981	-	481	-	549	-	Lease liabilities-non-current	6(dd)	602	-	1,939	-	-	-
Total current assets		<u>2,074,248</u>	<u>71</u>	<u>2,029,909</u>	<u>70</u>	<u>1,991,406</u>	<u>72</u>	Other non-current liabilities		350	-	350	-	350	-
Non-current assets								Total non-current liabilities		<u>46,353</u>	<u>2</u>	<u>47,371</u>	<u>2</u>	<u>50,870</u>	<u>2</u>
Financial assets at fair value through other comprehensive income-non-current	6(c)	371,130	12	349,980	12	288,957	10	Total liabilities		<u>170,104</u>	<u>6</u>	<u>164,068</u>	<u>6</u>	<u>154,597</u>	<u>5</u>
Property, plant and equipment	6(h)	461,147	16	490,562	17	499,555	18	Equity							
Right-of-use assets	6(i)	2,340	-	3,657	-	572	-	Equity attributable to owners of the parent							
Investment properties, net	6(j)	2,980	-	2,980	-	2,980	-	Share capital	6(p)						
Intangible assets	6(k)	1,009	-	1,193	-	925	-	Common stock		1,326,414	45	1,326,414	46	1,326,414	47
Deferred income tax assets		15,327	1	16,631	1	16,124	-	Capital surplus	6(q)	155,459	5	154,694	5	154,694	6
Other non-current assets	6(o)	8,821	-	3,080	-	3,491	-	Retained earnings	6(r)						
Total non-current assets		<u>862,754</u>	<u>29</u>	<u>868,083</u>	<u>30</u>	<u>812,604</u>	<u>28</u>	Legal reserve		392,700	13	387,489	13	387,489	14
								Special reserve		129,113	4	129,113	4	129,113	4
								Unappropriated earnings		525,269	18	518,550	18	494,455	18
								Other equity interest	6(s)	237,943	9	217,664	8	157,248	6
								Total equity attributable to owners of the parent		<u>2,766,898</u>	<u>94</u>	<u>2,733,924</u>	<u>94</u>	<u>2,649,413</u>	<u>95</u>
								Total equity		<u>2,766,898</u>	<u>94</u>	<u>2,733,924</u>	<u>94</u>	<u>2,649,413</u>	<u>95</u>
Total assets		<u>\$ 2,937,002</u>	<u>100</u>	<u>\$ 2,897,992</u>	<u>100</u>	<u>\$ 2,804,010</u>	<u>100</u>	Total liabilities and equity		<u>\$ 2,937,002</u>	<u>100</u>	<u>\$ 2,897,992</u>	<u>100</u>	<u>\$ 2,804,010</u>	<u>100</u>

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

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
(Reviewed, Not Audited)

Unit: NT\$ thousand

Item	Note	For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	6(t)	\$ 462,819	100	\$ 295,590	100	\$ 1,242,672	100	\$ 834,721	100
Operating costs	6(u)(v)	(449,864)	(97)	(290,563)	(98)	(1,193,403)	(96)	(813,046)	(97)
Gross profit		12,955	3	5,027	2	49,269	4	21,675	3
Operating expenses	6(v)								
Selling expenses		(12,507)	(3)	(11,258)	(4)	(35,542)	(3)	(31,752)	(4)
Administrative expenses		(12,016)	(3)	(13,928)	(5)	(37,412)	(3)	(34,328)	(4)
Research and development expenses		(1,935)	-	(2,106)	(1)	(6,438)	-	(6,027)	(1)
Expected credit impairment (loss) gain		791	-	(317)	-	355	-	420	-
Total operating expenses		(25,667)	(6)	(27,609)	(10)	(79,037)	(6)	(71,687)	(9)
Operating income (loss)		(12,712)	(3)	(22,582)	(8)	(29,768)	(2)	(50,012)	(6)
Non-operating income and expenses									
Interest income	6(w)	4,831	1	5,311	2	14,770	1	15,604	2
Other income	6(x)	35,304	8	14,478	5	37,943	3	17,633	2
Other gains and losses	6(y)	(21,348)	(5)	42,286	14	39,271	3	49,032	6
Finance costs	6(z)	(12)	-	(2)	-	(43)	-	(10)	-
Total non-operating income and expenses		18,775	4	62,073	21	91,941	7	82,259	10
Income (loss) before income tax		6,063	1	39,491	13	62,173	5	32,247	4
Income tax (expenses) benefits	6(aa)	897	-	(4,643)	(1)	(10,451)	(1)	(4,233)	(1)
Net income (loss)		6,960	1	34,848	12	51,722	4	28,014	3
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Unrealised gains (losses) from equity instruments measured at fair value through other comprehensive income	6(s)	(98,764)	(21)	(14,456)	(5)	20,279	2	29,302	4
Total other comprehensive income		(98,764)	(21)	(14,456)	(5)	20,279	2	29,302	4
Total comprehensive income		\$ (91,804)	(20)	\$ 20,392	7	\$ 72,001	6	\$ 57,316	7
Net income (loss) attributable to:									
Owners of the parent		\$ 6,960	1	\$ 34,848	12	\$ 51,722	4	\$ 28,014	3
Comprehensive income attributable to:									
Owners of the parent		\$ (91,804)	(20)	\$ 20,392	7	\$ 72,001	6	\$ 57,316	7
Earnings per share	6(bb)								
Basic earnings per share (NT\$)		\$ 0.05		\$ 0.26		\$ 0.39		\$ 0.21	
Diluted earnings per share (NT\$)		\$ 0.05		\$ 0.26		\$ 0.39		\$ 0.21	

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

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
(Reviewed, Not Audited)

Unit: NT\$ thousand

Item	Common stock	Capital surplus	Legal reserve	Retained earnings		Other equity interest	Total equity
				Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
Balance as of January 1, 2023	\$ 1,326,414	\$ 154,061	\$ 373,852	\$ 129,113	\$ 586,191	\$ 127,946	\$ 2,697,577
Appropriation and distribution of earnings:							
Legal reserve	-	-	13,637	-	(13,637)	-	-
Cash dividends	-	-	-	-	(106,113)	-	(106,113)
Other changes in capital surplus	-	633	-	-	-	-	633
Net income for the nine months ended September 30, 2023	-	-	-	-	28,014	-	28,014
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	29,302	29,302
Total comprehensive income	-	-	-	-	28,014	29,302	57,316
Balance as of September 30, 2023	<u>\$ 1,326,414</u>	<u>\$ 154,694</u>	<u>\$ 387,489</u>	<u>\$ 129,113</u>	<u>\$ 494,455</u>	<u>\$ 157,248</u>	<u>\$ 2,649,413</u>
Balance as of January 1, 2024	\$ 1,326,414	\$ 154,694	\$ 387,489	\$ 129,113	\$ 518,550	\$ 217,664	\$ 2,733,924
Appropriation and distribution of earnings:							
Legal reserve	-	-	5,211	-	(5,211)	-	-
Cash dividends	-	-	-	-	(39,792)	-	(39,792)
Other changes in capital surplus	-	765	-	-	-	-	765
Net income for the nine months ended September 30, 2024	-	-	-	-	51,722	-	51,722
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	20,279	20,279
Total comprehensive income	-	-	-	-	51,722	20,279	72,001
Balance as of September 30, 2024	<u>\$ 1,326,414</u>	<u>\$ 155,459</u>	<u>\$ 392,700</u>	<u>\$ 129,113</u>	<u>\$ 525,269</u>	<u>\$ 237,943</u>	<u>\$ 2,766,898</u>

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

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
(Reviewed, Not Audited)

Unit: NT\$ thousand

Item	For the Nine Months Ended September 30	
	2024	2023
Cash flows from operating activities		
Net income before income tax	\$ 62,173	\$ 32,247
Adjustments		
Revenue and expense		
Depreciation expense	33,779	37,333
Amortization expense	489	319
Expected credit impairment loss (gain)	(355)	(420)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	53,596	(30,104)
Interest expense	43	10
Interest income	(14,770)	(15,604)
Dividend income	(36,065)	(16,229)
Loss (gain) on disposal of property, plant and equipment	(998)	-
Other items	-	(10)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(54,679)	92,087
Notes receivable	32,883	(1,949)
Accounts receivable	(22,362)	72,210
Other receivables	(231)	59
Inventories	36,886	(11,673)
Prepaid expenses	1,228	928
Prepayments	(59,072)	5,767
Other current assets	(500)	78
Net defined benefit assets	(5,003)	(53)
Contract liabilities	613	7,961
Notes payable	7,359	(707)
Accounts payable	663	(1,036)
Other payables	(9,139)	(30,018)
Other current liabilities	562	358
Cash generated (used) from operations	27,100	141,554
Interest received	14,649	14,863
Dividends received	36,065	16,229
Income tax refunded (paid)	(1,887)	(30,362)
Net cash flows from (used in) operating activities	75,927	142,284
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(190,000)	(162,540)
Proceeds from repayments of financial assets at amortized cost	185,000	130,320
Acquisition of property, plant and equipment	(3,047)	(1,116)
Proceeds from disposal of property, plant and equipment	998	-
Acquisition of intangible assets	(305)	(995)
Increase in prepayments for business facilities	(738)	(350)
Net cash flows from (used in) investing activities	(8,092)	(34,681)
Cash flows from financing activities		
Payment of lease liabilities	(1,289)	(1,322)
Cash dividends paid	(39,792)	(106,113)
Interest paid	(43)	(10)
Other financing activities	765	633
Net cash flows from (used in) financing activities	(40,359)	(106,812)
Increase (decrease) in cash and cash equivalents	27,476	791
Cash and cash equivalents at beginning of period	676,783	607,542
Cash and cash equivalents at end of period	\$ 704,259	\$ 608,333

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

Hong Yi Fiber Ind. Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Nine Months Ended September 30, 2024 and 2023
(Reviewed, Not Audited)
(Amounts in thousands of NTD, unless specified otherwise)

1. Company History

Hong Yi Fiber Ind. Co., Ltd. (the “Company”) was established in August 1968 in accordance with the Company Act of R.O.C. The Company and its subsidiaries (the “Group”) are principally engaged in the manufacture, processing, import and export, and domestic and international sales of natural and artificial fiber products, with the objective of diversified operations.

2. Approval of Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on November 5, 2024.

3. Application of New and Amended Standards and Interpretations

a. Effect of adopting newly issued and amended IFRSs recognised by the Financial Supervisory Commission (“FSC”)

The newly issued, amended and revised IFRSs and interpretations thereof applicable for 2024, as recognised by the FSC, are listed below:

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

The above standards and interpretations have been assessed to have no material impact on the Group's financial position and financial performance.

b. Effect of not yet adopting newly issued and amended IFRSs recognised by the FSC

The newly issued, amended and revised IFRSs and interpretations thereof applicable for 2025, as recognised by the FSC, are listed below:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The above standards and interpretations have been assessed to have no material impact on the Group's financial position and financial performance.

c. New IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
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 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative information"	January 1, 2023
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

The above standards or interpretations have been issued by the IASB but not yet recognised by the FSC, and their actual application dates are subject to the FSC's regulations. The Group is in the process of assessing the impact of each amendment in the period of initial application. The application of the above new, amended, and revised standards or interpretations to date does not have a material impact on the Group's financial statements.

4. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the consolidated financial statements are described below. Unless otherwise stated, these policies apply consistently throughout the reporting period.

a. Statement of declaration

- 1) 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" endorsed and issued into effect by the FSC.
- 2) These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

b. Basis of preparation

- 1) The consolidated financial statements have been prepared on the basis of historical cost, except for the significant items listed below:
 - a) Financial assets and liabilities (including derivatives) at fair value through profit or loss.
 - b) Financial assets at fair value through other comprehensive income.
 - c) The net defined benefit assets and liabilities recognised by the net pension fund assets less the present value of the defined benefit obligation.
- 2) The preparation of the consolidated financial statements requires the use of certain critical accounting estimates, and the application of which requires management judgment, items involving a high degree of judgment or complexity, or items involving

significant assumptions and estimates in the consolidated financial statements, as described in Note 5.

c. Basis of consolidation

- 1) The basis for preparation of the consolidated financial statements

The basis for preparation of the consolidated financial statements is consistent with the 2023 consolidated financial statements.

- 2) Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of shareholding		
			September 30, 2024	December 31, 2023	September 30, 2023
The Company	Hongbang Investment Company	Investment	100%	100%	100%

- 3) Subsidiaries not included in the consolidated financial statements: None.

- 4) Adjustments for subsidiaries with different balance sheet dates: None.

- 5) Significant restrictions: None.

- 6) Subsidiaries with non-controlling equity that are material to the Group: None.

d. Other significant accounting policies

Except for the explanations in Notes 4 e to 4 f, the accounting policies adopted in the consolidated financial statements are the same as those in the 2023 consolidated financial statements. For the summary of significant accounting policies, please refer to Note 4 of the 2023 consolidated financial statements.

e. Employee benefits

Pensions

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

f. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the profit before tax of the interim period.

If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The same critical accounting judgments and key sources of estimation uncertainty have been followed when preparing these interim consolidated financial statements as those that were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023, please refer to Note 5 of 2023 consolidated financial statements.

6. Details of Significant Accounts

a. Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and revolving funds	\$160	\$160	\$160
Cash in banks	212,336	304,235	228,145
Cash equivalents			
Time deposits	51,600	61,310	96,660
Bonds with repurchase rights	440,163	311,078	283,368
Total	<u>\$704,259</u>	<u>\$676,783</u>	<u>\$608,333</u>

The Group has dealings with a number of creditworthy financial institutions to diversify its credit risk and the possibility of breach of contract is expected to be low.

The above time deposits and bonds with repurchase rights are convertible into cash at any time within 3 months from the date of purchase to the maturity date and are subject to a low risk of change in value.

b. Financial assets at fair value through profit or loss - current

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily measured at fair value through profit or loss			
Stocks from listed companies	\$164,506	\$109,827	\$385,481
Beneficiary certificate	54,449	54,449	54,449
Valuation adjustment	(18,959)	34,637	32,906
Total	<u>\$199,996</u>	<u>\$198,913</u>	<u>\$472,836</u>

- 1) Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are as follows:

	For the Three Months Ended September 30	
	2024	2023
Financial assets mandatorily measured at fair value through profit (loss)	<u>\$(20,186)</u>	<u>\$33,204</u>
	For the Nine Months Ended September 30	
	2024	2023
Financial assets mandatorily measured at fair value through profit (loss)	<u>\$33,057</u>	<u>\$36,011</u>

- 2) Please refer to Note 12 c for the information on fair value of financial instruments through profit or loss.

c. Financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Current items:			
Stocks from listed companies	\$5,098	\$5,098	\$5,098
Valuation adjustment	9,570	10,441	11,048
Subtotal	<u>14,668</u>	<u>15,539</u>	<u>16,146</u>
Non-current items:			
Stocks from unlisted and emerging companies	142,757	142,757	142,757
Valuation adjustment	228,373	207,223	146,200
Subtotal	<u>371,130</u>	<u>349,980</u>	<u>288,957</u>
Total	<u>\$385,798</u>	<u>\$365,519</u>	<u>\$305,103</u>

- 1) Comprehensive income generated from financial assets recognised at fair value through other comprehensive income are as follows:

	For the Three Months Ended September 30	
	2024	2023
Fair value change recognised in other comprehensive income	\$(98,764)	\$(14,456)
Dividend income recognised in profit or loss		
Hold at end of period	\$33,802	\$13,323

	For the Nine Months Ended September 30	
	2024	2023
Fair value change recognised in other comprehensive income	\$20,279	\$29,302
Dividend income recognised in profit or loss		
Hold at end of period	\$36,065	\$16,229

- 2) The Group has elected to classify the investments in equity instruments that are considered to be strategic investments and stable dividend receipts as financial assets at fair value through other comprehensive income, and the fair values of these investments were equal to their carrying amounts as of September 30, 2024, December 31 and September 30, 2023, respectively.
- 3) Please refer to Note 12 c for the information on the fair value of financial instruments through other comprehensive income.

d. Financial assets at amortized cost

	September 30, 2024	December 31, 2023	September 30, 2023
Current items:			
Time deposits with original maturity over three months	\$571,387	\$566,387	\$413,607

- 1) Statements of the gain or loss generated from financial assets recognised at amortized cost are as follows:

	For the Three Months Ended September 30	
	2024	2023
Interest income	\$2,226	\$2,547

	For the Nine Months Ended September 30	
	2024	2023
	\$6,605	\$6,284
Interest income		

- 2) The Group holds financial assets measured at amortized cost with the maximum exposure to credit risk at the end of each reporting period equal to their carrying amounts.

- 3) Please refer to Note 12 b for related credit risk information.

e. Notes and accounts receivable

Notes receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$23,790	\$56,673	\$52,084
Less: loss allowance	(238)	(567)	(521)
Total	\$23,552	\$56,106	\$51,563

Accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	\$192,727	\$170,365	\$118,720
Less: loss allowance	(1,123)	(1,149)	(725)
Total	\$191,604	\$169,216	\$117,995

- 1) The carrying amount of notes and accounts receivable at the end of each reporting period is the amount of the maximum exposure to credit risk without regard to collateral held or other credit enhancements. Please refer to Note 12 b for relevant information on the credit risk of notes and accounts receivable.

- 2) The aging analysis is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
1~60 days	\$216,517	\$226,861	\$170,723
61~90 days	-	177	81
Total	\$216,517	\$227,038	\$170,804

The above is an aging analysis based on the account establishment date.

f. Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$38,426	\$33,732	\$30,546
Supplies	12,959	11,691	12,546
Work in progress	3,889	4,251	3,058
Finished goods	148,719	191,205	201,249
Total	<u>\$203,993</u>	<u>\$240,879</u>	<u>\$247,399</u>

- 1) In addition to the cost of inventories sold, the details of inventory-related losses (gains) recognised as the cost of goods sold are as follows:

	For the Three Months Ended September 30	
	2024	2023
Loss on inventory write-down (reversal of write-down)	\$(1,321)	\$(5,749)
Unallocated manufacturing overhead	1,254	11,649
Total	<u>\$(67)</u>	<u>\$5,900</u>

	For the Nine Months Ended September 30	
	2024	2023
Loss on inventory write-down (reversal of write-down)	\$(5,251)	\$(6,721)
Unallocated manufacturing overhead	13,545	35,248
Total	<u>\$8,294</u>	<u>\$28,527</u>

- 2) The gain from price recovery of net realizable value of inventories recognised for the three months and nine months ended September 30, 2024 and 2023 were mainly caused by selling inactive inventories.
- 3) The allowance for inventory valuation losses as of September 30, 2024, December 31 and September 30, 2023 were \$34,696 , \$39,947 and \$38,842, respectively.

g. Prepayments

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments for goods	\$159,625	\$100,554	\$58,973
Prepaid insurance	414	1,554	432
Other prepaid expenses	1,657	1,744	1,794
Total	<u>\$161,696</u>	<u>\$103,852</u>	<u>\$61,199</u>

h. Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Others	Equipment under acceptance	Total
<u>January 1, 2024</u>							
Cost	\$272,958	\$177,849	\$1,115,872	\$19,248	\$174,911	\$1,634	\$1,762,472
Accumulated depreciation	-	(148,815)	(938,395)	(16,233)	(168,467)	-	(1,271,910)
Net amount	<u>\$272,958</u>	<u>\$29,034</u>	<u>\$177,477</u>	<u>\$3,015</u>	<u>\$6,444</u>	<u>\$1,634</u>	<u>\$490,562</u>
January 1	\$272,958	\$29,034	\$177,477	\$3,015	\$6,444	\$1,634	\$490,562
Additions	-	-	478	1,797	772	-	3,047
Disposals and retirements	-	-	-	-	-	-	-
Depreciation expense	-	(1,569)	(28,035)	(853)	(2,005)	-	(32,462)
September 30	<u>\$272,958</u>	<u>\$27,465</u>	<u>\$149,920</u>	<u>\$3,959</u>	<u>\$5,211</u>	<u>\$1,634</u>	<u>\$461,147</u>
<u>September 30, 2024</u>							
Cost	\$272,958	\$177,849	\$1,116,350	\$17,315	\$175,222	\$1,634	\$1,761,328
Accumulated depreciation	-	(150,384)	(966,430)	(13,356)	(170,011)	-	(1,300,181)
Net amount	<u>\$272,958</u>	<u>\$27,465</u>	<u>\$149,920</u>	<u>\$3,959</u>	<u>\$5,211</u>	<u>\$1,634</u>	<u>\$461,147</u>
	Land	Buildings	Machinery	Transportation equipment	Others	Equipment under acceptance	Total
<u>January 1, 2023</u>							
Cost	\$272,958	\$177,849	\$1,115,497	\$18,973	\$173,644	\$-	\$1,758,921
Accumulated depreciation	-	(146,713)	(898,178)	(15,382)	(165,795)	-	(1,226,068)
Net amount	<u>\$272,958</u>	<u>\$31,136</u>	<u>\$217,319</u>	<u>\$3,591</u>	<u>\$7,849</u>	<u>\$-</u>	<u>\$532,853</u>
January 1	\$272,958	\$31,136	\$217,319	\$3,591	\$7,849	\$-	\$532,853
Additions	-	-	112	590	414	1,633	2,749
Disposals and retirements	-	-	-	-	-	-	-
Depreciation expense	-	(1,577)	(30,856)	(897)	(2,717)	-	(36,047)
September 30	<u>\$272,958</u>	<u>\$29,559</u>	<u>\$186,575</u>	<u>\$3,284</u>	<u>\$5,546</u>	<u>\$1,633</u>	<u>\$499,555</u>
<u>September 30, 2023</u>							
Cost	\$272,958	\$177,849	\$1,115,609	\$19,248	\$174,042	\$1,633	\$1,761,339
Accumulated depreciation	-	(148,290)	(929,034)	(15,964)	(168,496)	-	(1,261,784)
Net amount	<u>\$272,958</u>	<u>\$29,559</u>	<u>\$186,575</u>	<u>\$3,284</u>	<u>\$5,546</u>	<u>\$1,633</u>	<u>\$499,555</u>

- 1) The significant components of the Group's buildings, including main buildings, alteration works and repair works, are depreciated over their useful lives of 55 years, 15 years and 2 years, respectively; the significant components of machinery, including main equipment and auxiliary equipment, are depreciated over their useful lives of 12 years and 5 years, respectively.
- 2) Please refer to Note 8 for the information on guarantees provided by property, plant and equipment.

i. Leasing arrangements - lessee

- 1) The subject of the Group's lease is a building for office use and the lease agreement is for a period of 2 to 3 years. Lease agreements are individually negotiated and contain various terms and conditions, with no restrictions other than that the leased assets may not be used as collateral for borrowings.

- 2) Options to extend lease and terminate lease

The Group takes into account all facts and circumstances where the exercise of the extension option, or the non-exercise of the termination option, would create an economic incentive when determining the lease term. Upon the occurrence of an event material to the exercise of the extension option or the non-exercise of the termination option, the lease period will be re-estimated.

- 3) The carrying amount of the right-of-use assets and the depreciation expense recognised are as follows:

	Right-of-use assets	
	2024	2023
January 1		
Cost	\$12,299	\$8,785
Accumulated depreciation	(8,642)	(6,927)
Net amount	\$3,657	\$1,858
January 1	\$3,657	\$1,858
Depreciation	(1,317)	(1,286)
September 30	\$2,340	\$572
September 30		
Cost	\$12,299	\$8,785
Accumulated depreciation	(9,959)	(8,213)
Net amount	\$2,340	\$572

At the end of December 2023, the Group exercised the extension option and renewed the lease for two years starting from February 1, 2024. The lease was remeasured based on the effective date of the lease modification and the change in the lease payment amount. This would increase both the right-of-use assets and lease liabilities by \$3,514 as of January 1, 2024.

- 4) Information on the profit or loss items related to lease contracts is as follows:

	For the Three Months Ended September 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expenses of lease liabilities	\$12	\$2
Expenses under short-term lease contracts	66	54

	For the Nine Months Ended September 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expenses of lease liabilities	\$43	\$10
Expenses under short-term lease contracts	174	162

- 5) The total lease cash outflows were both \$1,332 for the years ended September 30, 2024 and 2023, respectively.

j. Investment properties

	September 30, 2024	December 31, 2023	September 30, 2023
	<u>\$2,980</u>	<u>\$2,980</u>	<u>\$2,980</u>
Land			

- 1) The Group auctioned and bought the land mortgaged by the customer, which was agricultural land and could not be transferred to the Group yet. It is currently registered in one of the directors' name of the Group and a charge is created to the Group as a security measure.
- 2) Investment property held by the Group is not measured at fair value but only discloses information about its fair value, which is in level 3 of the fair value hierarchy. The fair values as of September 30, 2024, December 31 and September 30, 2023 were \$12,975, \$12,969 and \$12,969. The aforementioned fair values have not been evaluated by independent external professional appraisers, and the fair values were determined based on market evidence, using market quotes from neighboring locations, and the unobservable input value is the transaction price.

k. Intangible assets

	Computer Software	
	2024	2023
January 1		
Cost	\$1,854	\$459
Accumulated amortization	(661)	(210)
Net amount	<u>\$1,193</u>	<u>\$249</u>
January 1	\$1,193	\$249
Additions	305	995
Amortization expense	(489)	(319)
September 30	<u>\$1,009</u>	<u>\$925</u>

	Computer Software	
	2024	2023
September 30		
Cost	\$1,933	\$1,454
Accumulated amortization	(924)	(529)
Net amount	<u>\$1,009</u>	<u>\$925</u>

Derecognition amount after amortization were \$226 and \$0 for the nine months ended September 30, 2024 and 2023, respectively.

l. Notes and accounts payable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes payable			
Notes payable	\$20,705	\$16,056	\$16,612
Other notes payable	8,526	5,816	8,348
Subtotal	<u>29,231</u>	<u>21,872</u>	<u>24,960</u>
Accounts payable	<u>8,981</u>	<u>8,318</u>	<u>6,452</u>
Total	<u>\$38,212</u>	<u>\$30,190</u>	<u>\$31,412</u>

m. Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries payable	\$35,309	\$45,683	\$31,261
Employee compensation payable	3,662	3,741	2,301
Director remuneration payable	1,219	1,072	678
Business taxes payable	922	2,994	859
Utilities payable	13,286	8,465	9,016
Others	<u>11,424</u>	<u>13,006</u>	<u>10,404</u>
Total	<u>\$65,822</u>	<u>\$74,961</u>	<u>\$54,519</u>

n. Provisions - current

The provision is an estimate of the cost of short-term accumulating compensated absences for employees. The Group estimates the probability of employee benefits based on historical experience, management's judgment and other known reasons, and recognises the current profit or loss when the relevant employees are entitled to the vested rights.

There has no significant changes in the Group's provision for the nine months ended September 30, 2024. For relevant information, please refer to Note 6 n of the 2023 consolidated financial statements.

o. Pensions

1) Defined benefit plans

The Group has a defined benefit pension plan under the Labor Standards Act that applies to all regular employees' service years prior to the implementation of the Labor Pension Act on July 1, 2005, and subsequent service years of employees who elect to continue to be subject to the pension mechanism under the Law. For employees who are eligible for retirement, pension payments are based on the basis of years of service and the average salary for the last nine months prior to retirement. The Group makes monthly contributions of 2% of the total salaries of employees subject to the defined benefit plan to a retirement fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account in the Bank of Taiwan.

a) The amounts recognised in the balance sheet are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Net defined benefit assets (listed under other non-current assets)	\$7,481	\$2,478	\$2,537

b) The pension costs under the defined benefit plan were \$61, \$106, \$184 and \$318 for the three months and nine months ended September 30, 2024 and 2023, respectively.

2) Defined contribution plans

a) Effective July 1, 2005, the Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

b) The Group recognised pension costs of \$1,264, \$1,133, \$3,772 and \$3,460 for the three months and nine months ended September 30, 2024 and 2023, respectively, under the defined contribution pension plan, which were transferred to the individual accounts of the Bureau of Labor Insurance.

p. Common stock

As of September 30, 2024, the Company's authorized capital was \$2,600,000 and the paid-in capital was \$1,326,414, with a par value of NT\$10 per share divided into 132,641 thousand shares, which were all common stock and have been authorized and outstanding.

q. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Capital surplus - treasury shares transactions	\$139,539	\$139,539	\$139,539
Capital surplus - gain from disposal of assets	11,421	11,421	11,421
Capital surplus - others	4,499	3,734	3,734
Total	<u>\$155,459</u>	<u>\$154,694</u>	<u>\$154,694</u>

In accordance with the relevant laws and regulations, capital surplus may be used to cover deficits, except when the legal reserve is insufficient to cover deficits, and capital surplus from the issuance of shares in excess of par value and from gifts may be capitalized or given as cash in accordance with the resolution of the shareholders' meeting, and may not be used for other purposes. When capitalized with the aforementioned capital surplus, the deficit should be covered first.

r. Retained earnings

1) Legal reserve

In accordance with the Company Act and Letter Chin-Sheng-Zi No. 10802432410 from the Ministry of Economic Affairs, the Company shall set aside 10% of the net income for the current period plus the amount of items other than net income for the current period added to the current year's undistributed earnings as legal reserve until it equals the total paid-in capital. The legal reserve may only be used to offset deficit, except that when the Company has no deficit, the excess of the legal reserve over 25% of the paid-in capital may be issued in new shares or cash by resolution of the shareholders' meeting.

2) Special reserve

Upon the first-time adoption of IFRSs, a special reserve of the same amount shall be provided for the unrealized revaluation increment and cumulative translation adjustment (gain) under stockholders' equity, respectively, that are transferred to retained earnings as a result of the election to apply IFRS 1 exemptions. However, if the increase in retained earnings resulting from the initial adoption of IFRSs at the date of transition to IFRSs is not sufficient, it may be provided only for the increase in retained earnings due to conversion to IFRSs. Where relevant assets are subsequently used, disposed of or reclassified, the original proportion of special reserve may be reversed for the distribution of earnings. The increase in retained earnings due to the conversion of IFRSs was

\$129,113, and therefore a special reserve was provided in accordance with the law.

In accordance with the regulations of the FSC, in addition to the legal reserve, a public company shall, in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, record a net decrease in other equity. Such as unrealized gain or loss on financial assets at fair value through other comprehensive income, exchange differences on translation of financial statements of foreign operating institutions, or revaluation increment, the same amount of special reserve is provided from the current period's net income plus the adjustments other than net income for the current year, which must be added to the current year's undistributed earnings. If a net decrease in other equity was accumulated in prior periods, the same amount of special reserve from prior period's undistributed earnings shall not be distributed. If there is a subsequent reversal of the net decrease in other equity, the reversal may be reversed to a special reserve for distribution of earnings.

If a special reserve is provided for in accordance with IFRSs for the first time, a special reserve should be provided for the difference between the amount provided and the amount required to be provided for in the preceding paragraph. If there is a subsequent reversal of the net decrease in other equity, the reversal may be reversed to a special reserve for distribution of earnings.

3) The Company's dividend policy

In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, plus adjustments other than net income for the current year, which must be added to the current year's undistributed earnings, offset losses, set aside for 10% of legal reserve, unless the legal reserve has reached the Company's total paid-up capital. The remainder, after setting aside or reversing the special reserve as required by law, is added with the adjustment to the retained earnings as the earnings available for distribution of the current year. Any further remaining profits plus accumulated undistributed earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a shareholders' meeting.

Where the Company distributes all or part of earnings, legal reserve and capital reserve in the form of cash, it shall authorize the Board of Directors with over two-thirds of the directors attending the meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders' meeting.

The Company is in a volatile industrial environment, and in response to changes in the economy and the market, capital expenditures must continue to increase. In consideration of future capital requirements, the distribution of dividends to shareholders should be no less than 30% of the current period's distributable earnings, including a cash dividend of no less than 10% of the current year's total dividends, when the current period is profits.

4) The appropriations of the 2023 and 2022 earnings of the Company approved by Board of Directors on February 29, 2024 and February 24, 2023, respectively, were as follow:

	2023		2022	
	Amount	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)
Cash dividends	<u>\$39,792</u>	\$0.3	<u>\$106,113</u>	\$0.8

Please visit the Market Observation Post System of the Taiwan Stock Exchange for information on cash distribution proposed by the Board of Directors with a resolution.

s. Other equity interest

	2024	2023
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
January 1	\$217,664	\$127,946
Valuation adjustment	20,279	29,302
September 30	<u>\$237,943</u>	<u>\$157,248</u>

t. Operating revenue

	For the Three Months Ended September 30	
	2024	2023
Revenue from polyester draw textured yarn	\$462,702	\$295,452
Others	117	138
Total	<u>\$462,819</u>	<u>\$295,590</u>

	For the Nine Months Ended September 30	
	2024	2023
Revenue from polyester draw textured yarn	\$1,242,473	\$834,522
Others	199	199
Total	<u>\$1,242,672</u>	<u>\$834,721</u>

Information on revenue by region from contracts with customers:

	For the Three Months Ended September 30	
	2024	2023
Taiwan	\$443,301	\$276,977
South America	2,809	3,590
Asia	16,577	15,023
Oceania	132	-
Subtotal for the foreign region	19,518	18,613
Total	<u>\$462,819</u>	<u>\$295,590</u>

	For the Nine Months Ended September 30	
	2024	2023
Taiwan	\$1,199,071	\$785,565
South America	5,341	6,071
Europe	405	-
Asia	37,464	42,447
Oceania	391	638
Subtotal for the foreign region	43,601	49,156
Total	<u>\$1,242,672</u>	<u>\$834,721</u>

Revenue by region is classified according to the geographic location of the customer.

u. Operating costs

	For the Three Months Ended September 30	
	2024	2023
Cost of goods sold	\$449,864	\$290,563

	For the Nine Months Ended September 30	
	2024	2023
Cost of goods sold	\$1,193,403	\$813,046

v. Additional information on the nature of expenses

- 1) Employee benefit expenses, depreciation and amortization expenses by function are summarized as follows:

By Function By Nature	For the Three Months Ended September 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	\$30,155	\$12,484	\$42,639	\$25,112	\$14,549	\$39,661
Labor and health insurance fees	2,963	740	3,703	2,448	763	3,211
Pension expenses	899	426	1,325	835	404	1,239
Other employee benefit expenses	2,531	406	2,937	1,808	340	2,148
Depreciation expense	10,465	742	11,207	11,137	788	11,925
Amortization expense	39	122	161	59	63	122

By Function By Nature	For the Nine Months Ended September 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	\$91,085	\$40,858	\$131,943	\$71,337	\$36,973	\$108,310
Labor and health insurance fees	8,618	2,389	11,007	7,760	2,546	10,306
Pension expenses	2,704	1,252	3,956	2,561	1,217	3,778
Other employee benefit expenses	6,627	1,133	7,760	5,373	1,004	6,377
Depreciation expense	31,464	2,315	33,779	34,928	2,405	37,333
Amortization expense	150	339	489	176	143	319

- 2) Relevant information of the Company's employee and director remuneration:
- a) According to the Company's Articles of Incorporations, if the Company has profits in a fiscal year, it shall set aside not more than 2% of the profits as director remuneration and 4% of the profits as employee compensation. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses. The aforementioned employee compensation is paid to employees of the subordinate companies who meet certain criteria.

- b) The compensation to employees and directors for the three months and nine months ended September 30, 2024 and 2023 were estimated based on the income before income tax and compensation to employees and directors. In the case of employee compensation, the basis for calculating the number of shares is the “closing price on the date of one day before the Board of Directors' resolution”.
- c) For the three months and nine months ended September 30, 2024 and 2023, employee compensation were estimated at \$253, \$1,356, \$2,439 and \$1,356, and director remuneration were estimated at \$126, \$678, \$1,219 and \$678. Both of these were recognised as operating costs and expenses. If the actual allotment amount differs from the estimated amount in a subsequent resolution, the difference is treated as a change in accounting estimate.
- d) Information on employee and director remuneration for 2023 and 2022 is as follows:

	2023	2022
	February 29, 2024 approved by the Board of Directors with resolution	February 24, 2023 approved by the Board of Directors with resolution
Employee cash compensation	\$2,143	\$6,864
Director remuneration	1,072	3,432

There was no difference between the amount of employee and director remuneration for last year approved by the resolution of the Board of Directors and reported to the shareholders' meeting and the amount estimated in the financial statements. Please visit the Market Observation Post System of Taiwan Stock Exchange for relevant information.

- 3) Depreciation expense by function is summarized as follows:

	For the Three Months Ended September 30	
	2024	2023
Operating costs	\$10,465	\$11,137
Selling expenses	222	222
Administrative expenses	368	399
Research and development expenses	152	167
Total	\$11,207	\$11,925

	For the Nine Months Ended September 30	
	2024	2023
Operating costs	\$31,464	\$34,928
Selling expenses	674	667
Administrative expenses	1,161	1,226
Research and development expenses	480	512
Total	\$33,779	\$37,333

4) Amortization expense by function is summarized as follows:

	For the Three Months Ended September 30	
	2024	2023
Operating costs	\$39	\$59
Selling expenses	61	37
Administrative expenses	61	26
Total	<u>\$161</u>	<u>\$122</u>

	For the Nine Months Ended September 30	
	2024	2023
Operating costs	\$150	\$176
Selling expenses	171	92
Administrative expenses	168	51
Total	<u>\$489</u>	<u>\$319</u>

w. Interest income

	For the Three Months Ended September 30	
	2024	2023
Interest from bank deposits	\$483	\$1,058
Interest from financial assets at amortized cost	2,226	2,547
Others	2,122	1,706
Total	<u>\$4,831</u>	<u>\$5,311</u>

	For the Nine Months Ended September 30	
	2024	2023
Interest from bank deposits	\$2,199	\$4,187
Interest from financial assets at amortized cost	6,605	6,284
Others	5,966	5,133
Total	<u>\$14,770</u>	<u>\$15,604</u>

x. Other income

	For the Three Months Ended September 30	
	2024	2023
Dividend income	\$33,802	\$13,323
Others	1,502	1,155
Total	<u>\$35,304</u>	<u>\$14,478</u>

	For the Nine Months Ended September 30	
	2024	2023
Dividend income	\$36,065	\$16,229
Others	1,878	1,404
Total	<u>\$37,943</u>	<u>\$17,633</u>

y. Other gains and losses

	For the Three Months Ended September 30	
	2024	2023
Gains on disposal of property, plant and equipment	\$998	\$-
Net foreign exchange gains (losses)	(2,160)	9,132
Net gain (loss) on financial assets at fair value through profit or loss	(20,186)	33,204
Others	-	(50)
Total	<u>\$(21,348)</u>	<u>\$42,286</u>

	For the Nine Months Ended September 30	
	2024	2023
Gains on disposal of property, plant and equipment	\$998	\$-
Net foreign exchange gains	5,216	13,071
Net gain on financial assets at fair value through profit or loss	33,057	36,011
Others	-	(50)
Total	<u>\$39,271</u>	<u>\$49,032</u>

z. Finance costs

	For the Three Months Ended September 30	
	2024	2023
Interest expense:		
Lease liabilities	<u>\$12</u>	<u>\$2</u>

	For the Nine Months Ended September 30	
	2024	2023
Interest expense:		
Lease liabilities	<u>\$43</u>	<u>\$10</u>

aa. Income tax expenses (benefits)

The income tax rate applicable to both the years 2024 and 2023 was 20%.

1) Composition of income tax expenses (benefits)

	For the Three Months Ended September 30	
	2024	2023
Current income tax expenses	\$439	\$343
Basic tax	(1,213)	-
Total current income tax	<u>(774)</u>	<u>343</u>
Deferred income tax expenses (benefits):		
Origination and reversal of temporary differences	(123)	4,300
Income tax expenses (benefits)	<u>\$(897)</u>	<u>\$4,643</u>

	For the Nine Months Ended September 30	
	2024	2023
Current income tax expenses	\$772	\$371
Income tax on undistributed surplus earnings	355	831
Basic tax	7,721	-
Income tax (overestimation) underestimation for previous year	(20)	3
Total current income tax	8,828	1,205
Deferred income tax expenses :		
Origination and reversal of temporary differences	1,623	3,028
Income tax expenses	\$10,451	\$4,233

- 2) Current and deferred income taxes on direct debit or credit interests were both \$0 for the three months and nine months ended September 30, 2024 and 2023.
- 3) Income tax expenses related to components of other comprehensive income were both \$0 for the three months and nine months ended September 30, 2024 and 2023.
- 4) The income tax returns of the Company and its subsidiary, Hongbang Investment Company, have been examined and approved by the tax authorities until 2022.

bb. Earnings per share

- 1) Information on earnings per share

	For the Three Months Ended September 30	
	2024	2023
<u>Basic earnings per share:</u>		
Net income	\$6,960	\$34,848
Weighted-average number of outstanding shares (unit: thousand shares)	132,641	132,641
Basic earnings per share (NTD)	\$0.05	\$0.26
<u>Diluted earnings per share:</u>		
Net income	\$6,960	\$34,848
Weighted-average number of shares outstanding for diluted earnings per share (unit: thousand shares)	132,784	132,724
Diluted earnings per share (NTD)	\$0.05	\$0.26

	For the Nine Months Ended September 30	
	2024	2023
<u>Basic earnings per share:</u>		
Net income	\$51,722	\$28,014
Weighted-average number of outstanding shares (unit: thousand shares)	132,641	132,641
Basic earnings per share (NTD)	\$0.39	\$0.21
<u>Diluted earnings per share:</u>		
Net income	\$51,722	\$28,014
Weighted-average number of shares outstanding for diluted earnings per share (unit: thousand shares)	132,784	132,724
Diluted earnings per share (NTD)	\$0.39	\$0.21

- 2) The aforementioned weighted-average number of shares outstanding for diluted earnings per share (unit: thousand shares), the calculation is as follows:

	For the Nine Months Ended September 30	
	2024	2023
Weighted-average number of shares outstanding for basic earnings per share	132,641	132,641
Effect of potentially dilutive common shares:		
Employee compensation	143	83
Weighted-average number of shares outstanding for diluted earnings per share	132,784	132,724

The calculation of diluted earnings per share assumes that employee compensation will be paid in the form of stock and is included in the weighted-average number of shares outstanding when the potential common stock has a dilutive effect to calculate diluted earnings per share. The closing price of the potential common stock on the end of the reporting period is used as the basis for determining the number of shares to be issued in the calculation of diluted earnings per share. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share before the Board of Directors resolves to adopt a cash basis for employee compensation payments in the following year.

cc. Supplemental cash flow information

Investing activities:

	For the Nine Months Ended September 30	
	2024	2023
Acquisition of property, plant and equipment	\$3,047	\$2,749
Less: Payables for equipment at end of period	-	(1,633)
Cash paid	\$3,047	\$1,116

dd. Changes in liabilities from financing activities

	Lease liabilities (including current and non-current)	
	2024	2023
January 1	\$3,662	\$1,913
Changes in cash flow	(1,289)	(1,322)
September 30	<u>\$2,373</u>	<u>\$591</u>

ee. Seasonality of operations

The operating revenue and profit occur on average, and they are not significantly affected by season.

7. Related Party Transactions

a. Significant related party transactions: None.

b. Key management compensation

	For the Three Months Ended September 30	
	2024	2023
Salaries and other short-term employee benefits	\$6,856	\$9,212
Post-employment benefits	79	134
Total	<u>\$6,935</u>	<u>\$9,346</u>

	For the Nine Months Ended September 30	
	2024	2023
Salaries and other short-term employee benefits	\$25,289	\$24,090
Post-employment benefits	352	400
Total	<u>\$25,641</u>	<u>\$24,490</u>

The post-employment benefits are the amounts contributed to the pension fund account in accordance with the Labor Pension Act and the pension cost recognised in accordance with the actuarial report.

8. Guaranteed or Pledged Assets

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

	Carrying amount			Usage
	September 30, 2024	December 31, 2023	September 30, 2023	
Property, plant and equipment:				
Land	\$272,496	\$272,496	\$272,496	Consolidated loan amount guarantee
Buildings	27,465	29,034	29,559	Consolidated loan amount guarantee
Total	<u>\$299,961</u>	<u>\$301,530</u>	<u>\$302,055</u>	

9. Significant Contingent Liabilities and Unrecognised Commitments

As of September 30, 2024, the Group had issued post-dated checks for prepaid rental and purchase payments amounting to \$36,724 and had not yet paid.

10. Significant Disaster Loss: None.

11. Significant Events after the Balance Sheet Date: None.

12. Others

a. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. Therefore, based on the characteristics of the current operating industry and the expected future development, and taking into account factors such as changes in the external environment, the Group has planned the working capital requirements for future periods and determined the applicable capital structure.

The Group monitors capital by regularly reviewing the debt ratio, which is defined as total equity as shown in the balance sheet.

The Group's strategy for the nine months ended September 30, 2024 remained the same as that for 2023, which was to increase liquidity and maintain the debt ratio at an appropriate level. The debt ratio of the Group is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Total liabilities	\$170,104	\$164,068	\$154,597
Total assets	2,937,002	2,897,992	2,804,010
Debt ratio	5.79%	5.66%	5.51%

b. Financial instruments

1) Category of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$199,996	\$198,913	\$472,836
Financial assets at fair value through other comprehensive income			
Equity instruments	385,798	365,519	305,103
Financial assets at amortized cost			
Cash and cash equivalents	704,259	676,783	608,333
Financial assets at amortized cost (Note)	571,387	566,387	413,607
Notes receivable	23,552	56,106	51,563
Accounts receivable	191,604	169,216	117,995
Other receivables	1,777	1,475	1,615
Total	<u>\$2,078,373</u>	<u>\$2,034,399</u>	<u>\$1,971,052</u>
Financial liabilities			
Financial liabilities at amortized cost			
Payables	\$104,034	\$105,151	\$85,931
Lease liabilities	2,373	3,662	591
Total	<u>\$106,407</u>	<u>\$108,813</u>	<u>\$86,522</u>

Note: They are time deposits with original maturity over three months.

2) Information on fair value of financial instruments

a) Financial instruments not measured at fair value:

- i. The carrying amount is a reasonable approximation of fair value and includes cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortized cost, notes payable, accounts payable and other payables.
- ii. The fair value of the lease liabilities was obtained by discounting the amount of the lease contracts at the Group's incremental borrowing rate.

b) Please refer to Note 12 c for the information on fair value of financial instruments.

3) Financial risk management policies

- a) The Group's activities expose it to a variety of financial risks, market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The overall risk management policy focuses on the unpredictability of financial

markets and seeks to mitigate potential adverse effects on the financial position and financial performance.

- b) Risk management is carried out in accordance with the policies approved by the Board of Directors. The General Manager's Office is responsible for coordinating the planning, while the Finance Department is responsible for identifying, assessing and avoiding financial risks by working closely with the operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

4) Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

- i The Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii The management of the Group has policies in place to manage exchange rate risk of functional currencies. To manage the exchange rate risk arising from future commercial transactions and recognised assets and liabilities, the Group sets stop-loss points mainly based on risk tolerance and market conditions to control possible losses within the expected range, and therefore should not have significant market risk.
- iii The Group's operations involve non-functional currencies that are subject to exchange rate fluctuations, and information on foreign currency assets and liabilities that are subject to significant exchange rate fluctuations is as follows:

	September 30, 2024					
	Foreign currency (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on equity
Financial assets						
Monetary items						
(Foreign currency:						
functional currency)						
USD: NTD	\$2,714	31.60	\$85,765	1%	\$686	\$-

December 31, 2023						
	Foreign currency (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on equity
Financial assets						
Monetary items						
(Foreign currency: functional currency)						
USD: NTD	\$4,683	30.655	\$143,558	1%	\$1,148	\$-
September 30, 2023						
	Foreign currency (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on equity
Financial assets						
Monetary items						
(Foreign currency: functional currency)						
USD: NTD	\$7,658	32.22	\$246,728	1%	\$1,974	\$-

- iv Non-functional currencies are aggregated to disclose information on significant items of exchange gains or losses

The net exchange (losses) gains on monetary assets that were significantly affected by exchange rate fluctuations were \$(2,160) , \$9,132 , \$5,216 and \$13,071 for the three months and nine months ended September 30, 2024 and 2023, respectively.

Price risk

- i The Group's equity securities, which are exposed to price risk, are held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its investment portfolio in accordance with the limits set by the Group.
- ii The Group's investments in equity instruments issued by domestic listed companies, domestic non-public companies and open-end funds. The prices of equity instruments are affected by the uncertainty of the future value of the underlying investments. If the price of these equity instruments had increased or decreased by 1%, with all other factors held constant, pre-tax net income would have increased or decreased by \$2,000 and \$4,728 for the nine months ended September 30, 2024 and 2023, respectively, and other comprehensive income would have increased or decreased by \$3,858 and \$3,051, respectively.

Interest rate risk

The Group had no borrowing facilities as of September 30, 2024, December 31 and September 30, 2023, and therefore had no significant interest rate risk.

b) Credit risk

- i Credit risk refers to the risk of financial loss resulting from the failure of customers or counter-parties to financial instruments to meet their contractual obligations. The Group's credit risk arises primarily from the failure of counterparties to settle accounts receivable on collection terms and from contractual cash flows from investments in debt instruments classified as measured at amortized cost.
- ii The Group's credit risk management is based on a group perspective. Only banks and financial institutions with an independent credit rating of at least Standard & Poor's BBB level will be accepted as trading counterparties. In accordance with an internally defined credit policy, each operating entity within the Group and each new customer are required to manage and analyze their credit risk before setting the terms and conditions for payment and delivery. Internal risk controls are used to assess the creditworthiness of customers by considering their financial position, past experience and other factors. Individual risk limits are established by the Board of Directors based on internal or external evaluations, and the use of credit limits is monitored regularly.
- iii The Group has adopted the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (1) A financial asset is considered to be subject to a significant increase in credit risk upon initial recognition when the contractual payments are more than 30 days past due in accordance with the contractual terms.
 - (2) Investments in bonds traded on the OTC are considered to have low credit risk if they are rated as investment grade by any external rating agency as of the end of the reporting period.
 - (3) When an investment target with an independent credit rating is downgraded by two notches, the Group determines that the underlying credit risk of the investment target has increased significantly.
- iv The Group classifies customers' accounts receivable and applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- v The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (1) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- (2) The disappearance of an active market for that financial asset because of financial difficulties;
- (3) Default or delinquency in interest or principal repayments;
- (4) Adverse changes in national or regional economic conditions that are expected to default.

vi The Group estimated the allowance for losses on accounts receivable based on the loss rate established based on historical and timely information for a specific period, with an expected loss rate range of 0.39% to 100%.

vii Movement of loss allowance for receivable are as follows:

2024

	Notes receivable	Accounts receivable	Total
January 1	\$567	\$1,149	\$1,716
Reversal of impairment loss	(329)	(26)	(355)
September 30	<u>\$238</u>	<u>\$1,123</u>	<u>\$1,361</u>

2023

	Notes receivable	Accounts receivable	Total
January 1	\$502	\$1,164	\$1,666
The impairment loss set aside	19	-	19
Reversal of impairment loss	-	(439)	(439)
September 30	<u>\$521</u>	<u>\$725</u>	<u>\$1,246</u>

viii The total carrying amounts of investments in debt instruments measured at amortized cost for the current credit risk rating mechanism and credit-rated debt instruments were as follows:

Credit rating	Definition	Expected credit losses recognition basis	Carrying amount as of September 30, 2024	Carrying amount as of December 31, 2023	Carrying amount as of September 30, 2023
Normal	The credit risk of the debtor is minimal and the debtor has sufficient capacity to settle the contractual cash flows	12-month expected credit loss	\$571,387	\$566,387	\$413,607
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime expected credit loss (uncredited impairment)	-	-	-

Credit rating	Definition	Expected credit losses recognition basis	Carrying amount as of September 30, 2024	Carrying amount as of December 31, 2023	Carrying amount as of September 30, 2023
In default	Evidence of credit impairment is available	Lifetime expected credit loss (credited impairment)	-	-	-
Write-off	Evidence that the debtor is in serious financial difficulty and that the Group has no reasonable expectation of recovery	Direct write-off	-	-	-

The Group's investments in debt instruments measured at amortized cost consist of time deposits with original maturity over three months. The credit ratings of the issuers are approximately Standard & Poor's BBB level or higher, and the risk of credit loss is expected to be minimal and is therefore measured at the amount invested.

c) Liquidity risk

- i Cash flow forecasts are performed by each operating unit within the Group and aggregated by the finance unit, which monitors the forecasts of the Group's liquidity requirements to ensure it has sufficient funds to meet operating needs.
- ii The Group invests surplus funds in excess of working capital management requirements in interest-bearing demand deposits, time deposits and marketable securities in instruments selected to have appropriate maturities or sufficient liquidity to meet the above projections and to provide sufficient level of dispatch. As of September 30, 2024, December 31 and September 30, 2023, please refer to Note 6 for the description of each financial asset for the amounts held in these instruments and they are expected generate immediate cash flows to manage liquidity risk.
- iii The following table presents the Group's non-derivative financial liabilities, grouped by the relevant maturity date and analysed based on the remaining period from the end of the reporting period to the contractual maturity date, expressed in undiscounted amounts.

September 30, 2024

<u>Non-derivative financial liabilities</u>	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Notes payable	\$29,231	\$-	\$-	\$-	\$29,231
Accounts payable	8,981	-	-	-	8,981
Other payables	65,822	-	-	-	65,822
Lease liabilities	1,799	604	-	-	2,403

December 31, 2023

<u>Non-derivative financial liabilities</u>	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Notes payable	\$21,872	\$-	\$-	\$-	\$21,872
Accounts payable	8,318	-	-	-	8,318
Other payables	74,961	-	-	-	74,961
Lease liabilities	1,777	1,958	-	-	3,735

September 30, 2023

<u>Non-derivative financial liabilities</u>	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Notes payable	\$24,960	\$-	\$-	\$-	\$24,960
Accounts payable	6,452	-	-	-	6,452
Other payables	54,519	-	-	-	54,519
Lease liabilities	592	-	-	-	592

The Group does not expect the timing of the cash flows for the maturity analysis to occur significantly earlier or the actual amounts to be significantly different.

c. Fair value

- 1) Please refer to Note 12 b for the fair value information of financial assets and liabilities that are not measured at fair value.
- 2) Please refer to Note 6 j for the fair value information of investment properties measured at cost.
- 3) The following table presents the valuation techniques adopted for the fair value of financial and non-financial instruments. The definitions of the different levels are as follows:

- Level 1: The inputs at this level are publicly quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date. An active market is one in which all of the following conditions are met: the marketplace is homogeneous; willing buyers and sellers are readily available in the marketplace and price information is accessible to the public.
- Level 2: Inputs at this level include observable inputs other than publicly available quotes at Level 1, including observable inputs obtained directly (e.g., at price) or indirectly (e.g., derived from price) from active markets.
- Level 3: This level of input is not the input value of an asset or liability based on observable market data.

- 4) The financial instruments measured at fair value as of September 30, 2024, December 31 and September 30, 2023, based on the nature, characteristics and risks of the assets and the fair value by level, were classified as follows:

<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity instruments	\$144,000	\$-	\$-	\$144,000
Beneficiary certificate	55,996	-	-	55,996
Subtotal	199,966	-	-	199,966
Financial assets at fair value through other comprehensive income				
Equity instruments	14,668	-	371,130	385,798
Total	<u>\$214,664</u>	<u>\$-</u>	<u>\$371,130</u>	<u>\$585,794</u>
 <u>December 31, 2023</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity instruments	\$143,500	\$-	\$-	\$143,500
Beneficiary certificate	55,413	-	-	55,413
Subtotal	198,913	-	-	198,913
Financial assets at fair value through other comprehensive income				
Equity instruments	15,539	-	349,980	365,519
Total	<u>\$214,452</u>	<u>\$-</u>	<u>\$349,980</u>	<u>\$564,432</u>
 <u>September 30, 2023</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity instruments	\$417,600	\$-	\$-	\$417,600
Beneficiary certificate	55,236	-	-	55,236
Subtotal	472,836	-	-	472,836
Financial assets at fair value through other comprehensive income				
Equity instruments	16,146	-	288,957	305,103
Total	<u>\$488,982</u>	<u>\$-</u>	<u>\$288,957</u>	<u>\$777,939</u>

5) The methods and assumptions the Group used to measure fair value are follows:

- a) The instrument the Group used market quoted prices as their fair values are listed below by characteristics:

	Stocks from listed companies	Open end funds
Market quoted price	Closing price	Net assets value

- b) The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is considered active when quotations are readily and regularly available from a stock exchange, dealer, broker, industry, valuation service or regulator, and when such quotations represent actual and regular market transactions on an arm's length basis. The quoted market prices of financial assets held by the Group are closing prices, and these instruments are classified as Level 1. Level 1 instruments consist primarily of equity instruments and debt instruments, which are classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.
- c) The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Valuation techniques will make as much use of observable market data as possible and rely as little as possible on firm-specific estimates. A financial instrument is classified as Level 2 if all significant inputs required to calculate the fair value of the instrument are observable.
- d) A financial instrument is classified as Level 3 if one or more significant parameters are not based on observable markets. The Group's holdings of shares issued by non-public companies are valued using the market approach, based on the trading prices of comparable targets in an active market, taking into account the difference between the valuation targets and comparable targets, and using an appropriate multiplier to estimate the value of the valuation targets, adjusted for the effect of discount for lack of marketability. They belong to financial assets at fair value through other comprehensive income.
- e) Specific valuation techniques used to evaluate financial instruments include:
- i Publicly quoted prices or dealer prices for the same type of instrument.
 - ii Other valuation techniques are used to determine the fair value of the remaining financial instruments, such as discounted cash flow analysis.
- f) Transfer between Level 1 and 2

There was no transfer between Level 1 and 2 for the nine months ended September 30, 2024 and 2023.

g) The movement of Level 3 is as follows:

	Financial assets at fair value through other comprehensive income-non-current	
	Equity instruments without public quotation	
	2024	2023
January 1	\$349,980	\$263,445
Recognised in other comprehensive income (Listed as “unrealised gains (losses) from equity instruments measured at fair value through other comprehensive income”)	21,150	25,512
September 30	<u>\$371,130</u>	<u>\$288,957</u>

h) The Group's valuation process for fair value classification in Level 3 uses an external professional appraiser to evaluate the independent fair value of the financial instruments. The results of the evaluation approximate market conditions through independent and objective source information, and are reevaluated periodically on an annual basis to update the input values, information and any other necessary fair value adjustments required by the valuation model to ensure that the valuation results are reasonable.

i) The quantitative information and sensitivity analysis for the significant unobservable inputs in Level 3 of the fair value are as follows:

September 30, 2024

Item	Valuation technique	Significant unobservable input value information	Relationship between input to fair value	Sensitivity analysis
Financial assets at fair value through other comprehensive income Stocks from non-listed companies	Market comparable companies	- Liquidity discount rate 25% - Net price ratio multiplier 0.86~1.93	- The higher the discount for lack of marketability, the lower the fair value - The higher the multiplier, the higher the fair value	- If the liquidity discount rate increases/decreases by 1%, the equity will decrease/increase by \$4,895 - If the multiplier increases/decreases by 1%, the equity will increase/decrease by \$3,764

December 31, 2023

Item	Valuation technique	Significant unobservable input value information	Relationship between input to fair value	Sensitivity analysis
Financial assets at fair value through other comprehensive income Stocks from non-listed companies	Market comparable companies	1. Liquidity discount rate 25% 2. Net price ratio multiplier 0.88~1.49	1. The higher the discount for lack of marketability, the lower the fair value 2. The higher the multiplier, the higher the fair value	1. If the liquidity discount rate increases/decreases by 1%, the equity will decrease/increase by \$4,679 2. If the multiplier increases/decreases by 1%, the equity will increase/decrease by \$3,488

September 30, 2023

Item	Valuation technique	Significant unobservable input value information	Relationship between input to fair value	Sensitivity analysis
Financial assets at fair value through other comprehensive income Stocks from non-listed companies	Market comparable companies	1. Liquidity discount rate 25% 2. Net price ratio multiplier 0.81~1.32	1. The higher the discount for lack of marketability, the lower the fair value 2. The higher the multiplier, the higher the fair value	1. If the liquidity discount rate increases/decreases by 1%, the equity will decrease/increase by \$3,838 2. If the multiplier increases/decreases by 1%, the equity will increase/decrease by \$2,904

13. Supplementary Disclosures

- a. Information on significant transactions and
- b. Information on investees

Number	Item	Table
1	Lending funds to others	None
2	Providing endorsements or guarantees for others	None
3	Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture)	Table 1
4	Aggregate purchases or sales of the same securities reaching NT\$300 million or 20 percent of paid-in capital or more	None
5	Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more	None
6	Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more	None
7	Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more	None
8	Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more	None
9	Trading in derivative instruments	None
10	Names, locations and other information of investee companies (excluding investees in Mainland China)	Table 2
11	The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them	None

- c. Information on investments in Mainland China: None.

- d. Information on major shareholders

The Company has no shareholder holding more than 5% of the shares.

14. Segment Information

The Group is in the textile industry and its main business is the processing and trading of artificial fibers. The nature, manufacturing process and marketing methods of its related products are similar, and its performance and resource allocation are measured by a single operating department, so information on operating departments is not disclosed separately.

Table 1 Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2024				Note
				Shares (in thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Hong Yi Fiber	Franklin Templeton SinoAm Money Market Fund/Beneficiary Certificate	—	Financial assets at fair value through profit or loss - current	1,181	\$12,683	—	\$12,683	
Hong Yi Fiber	FSITC Taiwan Money Market Fund/Beneficiary Certificate	—	Financial assets at fair value through profit or loss - current	83	1,314	—	1,314	
Hong Yi Fiber	Jih Sun Money Market Fund/Beneficiary Certificate	—	Financial assets at fair value through profit or loss - current	2,500	38,532	—	38,532	
Hong Yi Fiber	Unimicron Technology/Stock	—	Financial assets at fair value through profit or loss - current	500	72,000	0.03%	72,000	
Hong Yi Fiber	Universal Textile/Stock	—	Financial assets at fair value through other comprehensive income - current	758	14,668	0.58%	14,668	
Hong Yi Fiber	Li Jin Engineering/Stock	Hongbang Investment is the director of the Company	Financial assets at fair value through other comprehensive income - non-current	9,459	182,473	6.31%	182,473	
Hongbang Investment Company	Franklin Templeton SinoAm Money Market Fund/Beneficiary Certificate	—	Financial assets at fair value through profit or loss - current	323	3,467	—	3,467	
Hongbang Investment Company	Unimicron Technology/Stock	—	Financial assets at fair value through profit or loss - current	500	72,000	0.03%	72,000	
Hongbang Investment Company	Li Jin Engineering/Stock	Hongbang Investment is the director of the Company	Financial assets at fair value through other comprehensive income - non-current	7,194	138,775	4.80%	138,775	
Hongbang Investment Company	Hongxin Construction/Stock	—	Financial assets at fair value through other comprehensive income - non-current	2,200	37,202	3.67%	37,202	
Hongbang Investment Company	Yi Tong Fiber/Stock	—	Financial assets at fair value through other comprehensive income - non-current	283	12,680	0.64%	12,680	

Table 2 Names, locations and other information of investee companies (excluding investees in Mainland China)

Investor	Investee	Location	Main Business Activities	Initial Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Investment Income (loss)	Note
				September 30, 2024	December 31, 2023	Shares (in thousands)	Percentage	Carrying Amount			
Hong Yi Fiber	Hongbang Investment Company	R.O.C.	Investment	\$400,000	\$400,000	40,000	100%	\$528,788	\$23,875	\$23,875	