Stock Code: 1454

Taiwan TAFFETA Fabric Co., Ltd.
and Subsidiaries

Consolidated Financial Statements
with CPA's Review Report

Third Quarter of 2024 and 2023

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CPA's Review Report

To Taiwan TAFFETA Fabric Co., Ltd.,

Foreword

We have reviewed the accompanying consolidated balance sheets of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries as of Sept. 30, 2024 and 2023, and the relevant consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the three and nine months ended Sept. 30, 2024 and 2023, and notes to the consolidated financial statement(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 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. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of the report

We conducted our reviews in accordance with the TWSRE No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is significantly smaller than that of the audit work, so the CPA may not be able to detect all the matters that can be identified through the audit work, and therefore cannot express an audit opinion.

Conclusion

In our audit results, we have not found any material aspects of the above consolidated financial statements that have not been prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission and issued in effect, which may lead to the inability to fairly express the consolidated financial positions of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries as at Sept. 30, 2024 and 2023, consolidated financial performance for the three and nine months ended on Sept. 30, 2024 and 2023, and consolidated cash flows for the nine months ended on Sept. 30, 2024 and 2023.

Deloitte Taiwan

CPA Wang, Pan-Fa

CPA Tseng, Chien-Ming

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. 1100356048

Nov. 7, 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 Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

Sept. 30, 2024, Dec. 31, and Sept. 30, 2023

Unit: Amounts expressed in thousands of NTD

Code	Assets	Sept. 30, 2024 Amount	%	Dec. 31, 2023 Amount	%	Sept. 30, 2023 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Notes VI and XXIX)	$ 130,219	7	$ 248,447	12	$ 157,217	8
1110	Financial assets at fair value through profit or loss - current (Notes VII and XXIX)	288,714	15	216,161	11	142,774	8
1120	Financial assets at fair value through other comprehensive profit or loss - current (Notes VIII and XXIX)	70,566	4	73,797	4	70,670	4
1150	Notes receivable (Notes IX and XXIX)	16,960	1	11,773	1	8,869	-
1170	Accounts receivable (Notes IX, XXIII and XXIX)	118,736	6	104,140	5	116,199	6
1200	Other receivables (Note XXIX)	10,391	-	9,961	-	6,130	-
1220	Current income tax assets (Note IV)	629	-	595	-	223	-
130X	Inventories (Note X)	465,115	23	472,023	23	487,675	26
1410	Prepayments	40,468	2	27,933	1	37,761	2
1476	Other financial assets - current (Notes XV, XXIX and XXXI)	1,503	-	4,000	-	-	-
1479	Other current assets (Note XVI)	914	-	250	-	1,724	-
11XX	Total current assets	1,144,215	58	1,169,080	57	1,029,242	54
	Non-current assets						
1600	Property, plant and equipment (Notes XII and XXXI)	743,833	37	766,762	38	774,063	40
1755	Right-of-use assets (Note XIII)	4,588	-	3,635	-	4,088	-
1780	Intangible assets (Note XIV)	6,175	-	10,017	-	11,298	1
1840	Deferred income tax assets (Note IV)	73,205	4	75,984	4	71,717	4
1915	Prepayments for business facilities (Note XXXII)	11,769	1	14,454	1	17,946	1
1990	Other non-current assets (Notes IX, XVI and XXIX)	1,467	-	1,507	-	1,507	-
15XX	Total non-current assets	841,037	42	872,359	43	880,619	46
1XXX	Total assets	$ 1,985,252	100	$ 2,041,439	100	$ 1,909,861	100
Code	**Liabilities and Equity**						
	Current Liabilities						
2100	Short-term borrowings (Notes XVII and XXIX)	$ 140,000	7	$ 170,000	8	$ 60,000	3
2110	Short-term bills payable (Notes XVII and XXIX)	30,000	2	50,000	2	-	-
2130	Contract liabilities - Current (Note XXIII)	37,219	2	34,092	2	40,277	2
2150	Notes payable (Notes XVIII and XXIX)	35,792	2	41,613	2	54,589	3
2170	Accounts payable (Notes XVIII and XXIX)	40,278	2	34,783	2	33,250	2
2219	Other payables (Notes XIX and XXIX)	68,876	3	59,376	3	58,270	3
2230	Current income tax liabilities (Note IV)	2,641	-	-	-	-	-
2280	Lease liabilities - Current (Note XIII)	2,046	-	1,467	-	1,601	-
2250	Provision for liabilities - Current (Note XX)	1,011	-	832	-	7,157	1
2399	Other current liabilities (Notes XIX and XXIX)	2,181	-	2,007	-	2,048	-
21XX	Total current liabilities	360,044	18	394,170	19	257,192	14
	Non-current liabilities						
2570	Deferred income tax liabilities (Note IV)	945	-	3,032	-	821	-
2580	Lease liabilities - non-current (Note XIII)	2,586	-	2,191	-	2,502	-
2630	Long-term deferred revenue (Notes XIX and XXVII)	11,249	1	14,228	1	15,222	1
2640	Net defined benefit liabilities - non-current (Note XXI)	16,543	1	28,833	2	27,186	1
25XX	Total non-current liabilities	31,323	2	48,284	3	45,731	2
2XXX	Total Liabilities	391,367	20	442,454	22	302,923	16
	Equity attributable to owners of the company (Note XXII)						
	Share capital						
3110	Common share	1,298,338	65	1,298,338	64	1,298,338	68
3200	Capital surplus	68,611	3	66,682	3	66,682	3
	Retained earnings						
3310	Legal reserve	53,792	3	52,078	2	52,078	3
3320	Special reserve	37,213	2	37,213	2	37,213	2
3350	Unappropriated earnings	178,154	9	182,740	9	188,120	10
3300	Total retained earnings	269,159	14	272,031	13	277,411	15
3400	Other equities	34,781	2	38,942	2	41,515	2
3500	Treasury shares	(77,032)	(4)	(77,032)	(4)	(77,032)	(4)
31XX	Total owners' equity of the company	1,593,857	80	1,598,961	78	1,606,914	84
36XX	Non-controlling interests	28	-	24	-	24	-
3XXX	Total equity	1,593,885	80	1,598,985	78	1,606,938	84
	Total liabilities and equities	$ 1,985,252	100	$ 2,041,439	100	$ 1,909,861	100

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

Chairman: Chuang, Yao-Ming Manager: Chuang, Yao-Ming Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023

Unit: Amounts expressed in thousands of NTD; except earnings per share expressed in NTD

		Jul. 1 to Sept. 30, 2024		Jul. 1 to Sept. 30, 2023		Jan. 1 to Sept. 30, 2024		Jan. 1 to Sept. 30, 2023	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating income (Note XXIII)	$ 416,009	100	$ 410,085	100	$ 1,232,701	100	$ 1,169,212	100
5000	Operating costs (Notes X, XXIV and XXX)	(389,537)	(94)	(368,645)	(90)	(1,130,370)	(92)	(1,046,270)	(90)
5900	Gross profit	26,472	6	41,440	10	102,331	8	122,942	10
	Operating expenses (Notes IX, XXIV and XXX)								
6100	Selling expenses	(24,390)	(6)	(23,466)	(6)	(66,525)	(5)	(65,236)	(5)
6200	Administrative expenses	(18,121)	(4)	(15,943)	(4)	(55,020)	(4)	(46,734)	(4)
6300	Research and development expenses	(3,122)	(1)	(2,322)	-	(7,592)	(1)	(7,669)	(1)
6450	Gain on reversal of expected credit	184	-	1,302	-	1,281	-	1	-
6000	Total operating expenses	(45,449)	(11)	(40,429)	(10)	(127,856)	(10)	(119,638)	(10)
6500	Net other incomes and expenses (Note XXIV)	(334)	-	(104)	-	(553)	-	(276)	-
6900	Net operating gain (loss)	(19,311)	(5)	907	-	(26,078)	(2)	3,028	-
	Non-operating income and expenses (Note XXIV)								
7050	Financial costs	(1,140)	-	(531)	-	(2,709)	-	(2,010)	-
7100	Interest revenue	3,536	1	1,746	1	9,200	1	5,399	1
7110	Rental income	126	-	84	-	377	-	84	-
7130	Dividend income	1,313	-	632	-	10,930	1	632	-
7190	Other income	7,708	2	1,353	-	14,853	1	3,549	-
7630	Foreign exchange gain (loss)	(2,116)	-	8,926	2	6,429	-	13,862	1
7635	Gain (loss) on financial assets at fair value through profit or loss	10,098	2	(7,290)	(2)	19,921	1	(3,367)	-
7000	Total non-operating incomes and expenses	19,525	5	4,920	1	59,001	4	18,149	2
7900	Net profit before income tax	214	-	5,827	1	32,923	2	21,177	2
7950	Income tax (expense) benefit (Note XXV)	(317)	-	(1,028)	-	(3,333)	-	1,345	-
8000	Current net profit (loss) on continuing operations	(103)	-	4,799	1	29,590	2	22,522	2
	Other comprehensive income (Note XXII)								
8310	Items not reclassified subsequently to profit or loss								
8316	Unrealized valuation profit (loss) on equity instrument investments at fair value through other comprehensive income	547	-	3,152	1	(4,161)	-	16,589	1
8300	Other comprehensive profits and losses for the current period (net amount after tax)	547	-	3,152	1	(4,161)	-	16,589	1
8500	Total comprehensive income in the current period	$ 444	-	$ 7,951	2	$ 25,429	2	$ 39,111	3
	Net income attributable to:								
8610	Owners of the Company	($ 104)	-	$ 4,799	1	$ 29,586	2	$ 22,521	2
8620	Non-controlling interests	1	-	-	-	4	-	1	-
8600		($ 103)	-	$ 4,799	1	$ 29,590	2	$ 22,522	2
	Total comprehensive income attributable to:								
8710	Owners of the Company	$ 443	-	$ 7,951	2	$ 25,425	2	$ 39,110	3
8720	Non-controlling interests	1	-	-	-	4	-	1	-
8700		$ 444	-	$ 7,951	2	$ 25,429	2	$ 39,111	3
	Earnings per Share (Note XXVI)								
9750	Basic earnings per share	$ -		$ 0.04		$ 0.24		$ 0.18	
9850	Diluted earnings per share	$ -		$ 0.04		$ 0.24		$ 0.18	

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

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

Jan. 1 to Sept. 30, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

		Equity attributable to owners of the Company										
		Share capital			Retained earnings			Other items of equity				
Code		Shares (Thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
A5	Balance as of Jan. 1, 2023	129,834	$ 1,298,338	$ 64,753	$ 47,749	$ 37,213	$ 202,386	$ 24,926	($ 77,032)	$ 1,598,333	$ 23	$ 1,598,356
	Earning distribution for 2022											
B1	Legal reserve	-	-	-	4,329	-	(4,329)	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)	-	(32,458)
D1	Net profit from Jan. 1 to Sept. 30, 2023	-	-	-	-	-	22,521	-	-	22,521	1	22,522
D3	Other comprehensive income after tax from Jan. 1 to Sept. 30, 2023	-	-	-	-	-	-	16,589	-	16,589	-	16,589
D5	Total comprehensive income from Jan. 1 to Sept. 30, 2023	-	-	-	-	-	22,521	16,589	-	39,110	1	39,111
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929	-	1,929
Z1	Balance as of Sept. 30, 2023	129,834	$ 1,298,338	$ 66,682	$ 52,078	$ 37,213	$ 188,120	$ 41,515	($ 77,032)	$ 1,606,914	$ 24	$ 1,606,938
A1	Balance as of Jan. 1, 2024	129,834	$ 1,298,338	$ 66,682	$ 52,078	$ 37,213	$ 182,740	$ 38,942	($ 77,032)	$ 1,598,961	$ 24	$ 1,598,985
	Earning distribution for 2023											
B1	Legal reserve	-	-	-	1,714	-	(1,714)	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)	-	(32,458)
D1	Net profit from Jan. 1 to Sept. 30, 2024	-	-	-	-	-	29,586	-	-	29,586	4	29,590
D3	Other comprehensive income after tax from Jan. 1 to Sept. 30, 2024	-	-	-	-	-	-	(4,161)	-	(4,161)	-	(4,161)
D5	Total comprehensive income from Jan. 1 to Sept. 30, 2024	-	-	-	-	-	29,586	(4,161)	-	25,425	4	25,429
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929	-	1,929
Z1	Balance as of Sept. 30, 2024	129,834	$ 1,298,338	$ 68,611	$ 53,792	$ 37,213	$ 178,154	$ 34,781	($ 77,032)	$ 1,593,857	$ 28	$ 1,593,885

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

Chairman: Chuang, Yao-Ming Manager: Chuang, Yao-Ming Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Jan. 1 to Sept. 30, 2024 and 2023
Unit: Amounts expressed in thousands of NTD

Code		Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
	Cash flows from operating activities		
A10000	Current net profit before income tax	$ 32,923	$ 21,177
A20010	Income/expenses items		
A20100	Depreciation expense	53,935	55,525
A20200	Amortization expenses	3,842	3,742
A20300	Gain on reversal of expected credit	(1,281)	(1)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	(19,921)	3,367
A20900	Financial costs	2,709	2,010
A21200	Interest revenue	(9,200)	(5,399)
A21300	Dividend income	(10,930)	(632)
A22500	Loss on discard of property, plant, and equipment	553	276
A23700	Loss on market price decline and obsolete and slow-moving inventories	4,467	4,024
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	(5,187)	(5,877)
A31150	Accounts receivable	(13,315)	25,263
A31180	Other receivables	323	4,798
A31200	Inventories	2,441	1,530
A31230	Prepayments	(12,535)	2,858
A31240	Other current assets	(664)	(531)
A32125	Contract liability	3,127	18,196
A32130	Notes payable	(5,821)	10,375
A32150	Accounts payable	5,495	792
A32180	Other payables	2,008	(6,842)
A32200	Provision for Liabilities	179	(1,546)
A32250	Long-term deferred income	(2,979)	(2,686)
A32230	Other current liabilities	174	209
A32240	Net defined benefit liability	(12,290)	(5,466)
A33000	Cash from operating activities	18,053	125,162
A33100	Interest received	8,447	5,461
A33200	Dividend received	10,930	632

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Code		Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
A33300	Interest paid	($ 2,763)	($ 2,029)
A33500	Income tax paid	(34)	(3,177)
AAAA	Net cash inflow from operating activities	34,633	126,049
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income or loss	(930)	-
B00050	Disposal of financial assets measured at amortized cost	-	124,434
B00100	Purchase of financial assets at fair value through profit or loss	(305,524)	(142,181)
B00200	Disposal of financial assets at fair value through profit or loss	260,438	65,648
B02700	Purchase of property, plant and equipment	(25,222)	(16,002)
B03700	Increase in refundable deposits	-	(140)
B03800	Decrease in refundable deposits	40	-
B04500	Acquisition of intangible assets	-	(882)
B06500	Decrease in other financial assets	2,497	-
B07100	Increase in prepayments for business facilities	(2,192)	(6,342)
BBBB	Net cash inflow (outflow) from investing activities	(70,893)	24,535
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(30,000)	(110,000)
C00600	Decrease in short-term bills payable	(20,000)	(50,000)
C04020	Repayment of the lease liability principal	(1,439)	(733)
C04500	Cash dividends paid out	(30,529)	(30,529)
CCCC	Net cash outflow from financing activities	(81,968)	(191,262)
EEEE	Net decrease in cash and cash equivalents	(118,228)	(40,678)
E00100	Cash and cash equivalents at beginning of period	248,447	197,895
E00200	Cash and cash equivalents at the end of period	$ 130,219	$ 157,217

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

Chairman: Chuang, Yao-Ming   Manager: Chuang, Yao-Ming   Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Note to Consolidated Financial Statements

Jan. 1 to Sept. 30, 2024 and 2023

(In Thousands of NTD, Unless Stated Otherwise)

I. Company History

Taiwan TAFFETA Fabric Co., Ltd. (hereinafter referred to as "the Company") was established in June 1973, engaged in the production and sale of Tetoron fabric. In March 1985, the Company was reorganized and principally engaged in the manufacture and trading of synthetic chemical fibres, yarns and threads for knitted products, woven fabric garments and processed silk. The shares of the Company were listed and traded on the Taiwan Stock Exchange in January 1993 with the approval of the Regulator.

The consolidated financial statements were expressed in New Taiwan Dollars (NTD), which is the Company's functional currency.

II. Approval Date and Procedures of the Financial Statements

These consolidated financial statements were approved by the Board of Directors on Nov. 7, 2024.

III. New Standards, Amendments and Interpretations Adopted

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

Application of the aforementioned amendments will not have a significant effect on the accounting policies of Taiwan TAFFETA Fabric Co., Ltd. and subsidiaries (hereinafter referred to as "the Consolidated Company").

(II) Application of the IFRS Accounting Standards endorsed by FSC in 2025

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	Jan. 1, 2025 (Note 1)

Note 1: Applicable to the reporting period beginning after Jan. 1, 2025. When this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the retained

earnings or exchange differences of foreign operating institutions under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.

As per the Consolidated Company's evaluation, the amendments to rules or explanations will not have an impact on its financial status and performance up to the reporting date.

(III) IFRS issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Accounting Standards - Volume 11"	Jan. 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	Jan. 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"	Jan. 1, 2023
Amendments to IFRS 17	Jan. 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative Information"	Jan. 1, 2023
IFRS 18 Presentation and Disclosure in Financial Statements	Jan. 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	Jan. 1, 2027

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations 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 replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

- The statements of income should divide income and expense items into operating, investment, financing, income tax and discontinued operations types.

- The statements of income should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.
- Guide to strengthen aggregation and segmentation requirements: The Consolidated Company must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other events, and classify and summarize them on the basis of common characteristics so that each line item reported in the main financial statements has at least one similar characteristic. Items with different characteristics should be subdivided into the main financial statements and notes. The Consolidated Company will label these items as “others” only if it cannot find a more informative name.
- Increase the disclosure of performance measures defined by management: When the Consolidated Company conducts public communications outside of financial statements and communicates management’s views on a certain aspect of the Consolidated Company’s overall financial performance to users of financial statements, it should disclose the information related to performance measurement defined by management in a single note to the financial statements. The information includes the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS Accounting Standards, and the impact of income tax and non-controlling interests on related reconciliation items.

In addition to the aforementioned influences, up to the reporting date, the Consolidated Company will continue evaluating other influences on financial status and performance resulting from amendments to rules or explanations. The related influences are to be disclosed once the evaluation is accomplished.

IV. Summary of Significant Accounting Polices

(I) Compliance statement

The preparation of the consolidated financial statements is based on the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting” accepted and effectively published by FSC. This consolidated financial report does not contain all the disclosures required by IFRS Accounting Standards for the entire annual financial report.

(II) Basis of preparation

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

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

1. Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). The Consolidated Statements of Comprehensive Income incorporates the operating profit or loss of the acquired or disposed company for the period from the date of acquisition or up to the date of disposal. Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Consolidated Company. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely. The total comprehensive income/loss of the subsidiaries are attributed to the owner’s and non-controlling interests of the Company, and the same is true when the non-controlling interests consequently become loss balance.

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

Please see Note XI and Table 2 for details of subsidiaries, percentage of ownership and business activities.

(IV) Other significant accounting policies

In addition to the following descriptions, please refer to the Summary of Significant Accounting Policies in the 2023 consolidated financial statement.

1. Classification of current and non-current assets and liabilities

   Current assets include:

   (1) Assets held primarily for the purpose of trading;

   (2) Assets that are expected to be realized within twelve months from the balance sheet date; and

   (3) Cash and cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

   Current liabilities include:

   (1) Liabilities held primarily for the purpose of trading;

   (2) Liabilities expected to be settled within twelve months after the maturity of the debt (even if the liability at the date of statement of financial position to complete the long-term refinancing prior to the financial statements or reschedule payment agreement), and

   (3) Liabilities for which the repayment date has no substantial rights on the balance sheet date to more than twelve months after the balance sheet date.

   Assets and liabilities that are not classified as current are classified as non-current.

2. Defined benefit post-employment benefits

   The pension cost during the interim period is calculated based on the actuarially determined pension cost rate at the end of the previous year, from the beginning of the year to the end of the current period, and takes into account the significant market fluctuations of the current period, as well as major plan amendments, liquidations or other major one-time matters to make adjustments.

3. Income tax expense

The income tax expense represents the sum of the tax currently payable and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on the interim pre-tax profit at the tax rate applicable to the expected total annual earnings.

V. Significant Accounting Judgment, Estimates, and Assumptions and the Main Sources of Assumption Uncertainty

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

The Consolidated Company has taken the possible impact of climate change and related government policies and regulations, Middle East conflicts and related international sanctions on the economic environment and market interest rate fluctuations into consideration on significant accounting estimates of cash flow estimation, growth rate, discount rate and profitability. The estimates and underlying assumptions are reviewed on an ongoing basis.

VI. Cash and Cash Equivalents

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Cash on hand and penny cash	$ 200	$ 200	$ 200
Check and demand deposit	130,019	217,542	92,477
Equivalent cash (investments with the original maturity within 3 months)			
Time deposits	-	30,705	64,540
	$ 130,219	$ 248,447	$ 157,217

VII. Financial Instruments at FVTPL

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Financial asset - current			
Non-derivative financial assets at mandatory FVTPL			
- Domestic listed (OTC) stocks	$ 18,662	$ 55,811	$ 53,916
- Fund beneficiary certificate	100,210	20,000	29,452
- Corporate bonds	169,842	140,350	59,406
	$ 288,714	$ 216,161	$ 142,774

VIII. Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Current			
Domestic investment			
Listed (OTC) stocks			
Common share of Universal Textile Co., Ltd.	$ 70,566	$ 73,797	$ 70,670
Non-current			
Unlisted (OTC) stocks			
Common share of Taiwan Filament Weaving Development Co., Ltd.	$ -	$ -	$ -
Preference share of Taiwan Filament Weaving Development Co., Ltd.	-	-	-
Jetts BIO-Photon Corporation	-	-	-
	$ -	$ -	$ -

The Consolidated Company invests in the ordinary and preference shares of the above companies for medium to long-term strategic purposes and expects to make a profit from this long term investment. The management of the Consolidated Company considers that if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

The Consolidated Company evaluates the changes in their fair value and reports them in other consolidated gains and losses, and accumulates them in other equities due to the sustained loss in the financial statements of Taiwan Filament Weaving Development Co., Ltd. and Jetts BIO-Photon Corporation.

IX. Notes Receivable and Accounts Receivable

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Note receivable			
Occurred due to business operations	$ 16,960	$ 11,773	$ 8,869
Accounts receivable			
Non related parties	$ 119,103	$ 104,647	$ 116,498
Less: Allowance for bad debts	(367)	(507)	(299)
	$ 118,736	$ 104,140	$ 116,199

To mitigate credit risk, the management of the Consolidated Company has designated functional working group responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue accounts receivable. In addition, the Consolidated Company reviews the recoverable amounts of receivables individually at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. According these, the management considers the Consolidated Company's credit risk has significantly decreased.

The loss allowance for accounts receivable of the Consolidated Company is measured at an amount equal to useful lives expected credit losses. Lifetime expected credit losses are calculated using an allowance matrix, which takes into account the customer's past default history and current financial position, the economic situation of the industry, as well as GDP forecasts and industry outlook, and classifies customers into different risk groups and recognizes an allowance for losses based on the expected loss rate for each group.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, for example, the counterparty is in liquidation, the Consolidated Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Consolidated Company's provision matrix.

Sept. 30, 2024

	Accounts receivable				Debt collection
	Not past due	31~90 days past due	91~180 days past due	Total	Over 180 days past due
The expected credit loss rate	0%	1%	10%		100%
Gross carrying amount	$ 85,235	$ 33,551	$ 317	$ 119,103	$ 89
Loss allowance (lifetime ECLs)	-	(335)	(32)	(367)	(89)
Amortized cost	$ 85,235	$ 33,216	$ 285	$ 118,736	$ -

Dec. 31, 2023

	Accounts receivable				Debt collection
	Not past due	31~90 days past due	91~180 days past due	Total	Over 180 days past due
The expected credit loss rate	0%	1%	10%		100%
Gross carrying amount	$ 72,912	$ 29,634	$ 2,101	$ 104,647	$ 1,230
Loss allowance (lifetime ECLs)	-	(297)	(210)	(507)	(1,230)
Amortized cost	$ 72,912	$ 29,337	$ 1,891	$ 104,140	$ -

Sept. 30, 2023

	Accounts receivable				Debt collection
	Not past due	31~90 days past due	91~180 days past due	Total	Over 180 days past due
The expected credit loss rate	0%	1%	10%		100%
Gross carrying amount	$ 96,353	$ 19,062	$ 1,083	$ 116,498	$ 1,020
Loss allowance (lifetime ECLs)	-	(191)	(108)	(299)	(1,020)
Amortized cost	$ 96,353	$ 18,871	$ 975	$ 116,199	$ -

The information of changes in allowance for losses are as follows:

	Accounts receivable	Debt collection
Balance as of Jan. 1, 2024	$ 507	$ 1,230
Add: Current impairment losses	-	89
Less: Current reversed impairment losses	(140)	(1,230)
Balance as of Sept. 30, 2024	$ 367	$ 89
Balance as of Jan. 1, 2023	$ 735	$ 4,334
Add: Current impairment losses	-	435
Less: Current reversed impairment losses	(436)	-
Less: Write-off in the current period	-	(3,749)
Balance as of Sept. 30, 2023	$ 299	$ 1,020

Please refer to Note XVI for other non-current assets included in the debt collection.

X. Inventories

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Finished good	$ 236,960	$ 233,835	$ 237,298
Semi-finished good	105,992	123,199	129,104
Raw materials	122,132	114,957	121,241
Materials	31	32	32
	$ 465,115	$ 472,023	$ 487,675

The allowance for inventory impairment losses as of Sept. 30, 2024, Dec. 31, 2023, and Sept. 30, 2023 was NTD 214,850 thousand, NTD 210,383 thousand, and NTD 212,876 thousand, respectively.

The cost of goods sold related to inventory from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023 was NTD 389,537 thousand, NTD 368,645 thousand, NTD 1,130,370 thousand, and NTD 1,046,270 thousand, respectively.

The details of the cost of sales, including offsetting inventory, recognized as current expenses are as follows:

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Inventory (gain) loss	($ 18)	$ 8	($ 14)	$ 67
Income from sale of scrap	(1,413)	(1,505)	(4,296)	(4,454)
Loss on market price decline and obsolete and slow-moving inventories	1,415	4,223	4,467	4,024
Unamortized allocation expense	18,588	18,616	55,727	51,676
	$ 18,572	$ 21,342	$ 55,884	$ 51,313

XI. Subsidiary

Subsidiaries incorporated in the consolidated financial statements

The basis for the consolidated financial statements is as follows:

Investor	Investee	Main Business	% of Ownership Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
The Company	Chang Hui Investment Co., Ltd.	Investment	99.98%	99.98%	99.98%

The financial statements of Chang Hui Investment Co., Ltd. are prepared based on the company's reviewed financial statements for the same period.

Subsidiaries not incorporated in the consolidated financial statements: None

XII. Property, Plant and Equipment

	Own land	Buildings	Machinery and equipment	Office equipment	Other equipment	Total
Cost						
Balance as of Jan. 1, 2024	$ 345,172	$ 474,767	$ 784,807	$ 5,146	$ 226,005	$ 1,835,897
Additions	-	1,038	20,021	770	3,393	25,222
Disposal	-	(2,834)	(14,371)	(187)	(4,442)	(21,834)
Transfer of prepaid equipment amount	-	1,274	3,603	-	-	4,877
Balance as of Sept. 30, 2024	$ 345,172	$ 474,245	$ 794,060	$ 5,729	$ 224,956	$ 1,844,162
Accumulated depreciation						
Balance as of Jan. 1, 2024	$ -	$ 351,598	$ 528,338	$ 2,917	$ 186,282	$ 1,069,135
Depreciation expense	-	10,595	35,667	613	5,600	52,475
Disposal	-	(2,639)	(14,186)	(182)	(4,274)	(21,281)
Balance as of Sept. 30, 2024	$ -	$ 359,554	$ 549,819	$ 3,348	$ 187,608	$ 1,100,329
Net amount as of Dec. 31, 2023 and Jan. 1, 2024	$ 345,172	$ 123,169	$ 256,469	$ 2,229	$ 39,723	$ 766,762
Net amount as of Sept. 30, 2024	$ 345,172	$ 114,691	$ 244,241	$ 2,381	$ 37,348	$ 743,833
Cost						
Balance as of Jan. 1, 2023	$ 345,172	$ 474,773	$ 774,583	$ 4,375	$ 207,767	$ 1,806,670
Additions	-	1,478	6,686	90	17,805	26,059
Disposal	-	(439)	(5,122)	(99)	(3,864)	(9,524)
Transfer of prepaid equipment amount	-	-	4,660	-	2,234	6,894
Balance as of Sept. 30, 2023	$ 345,172	$ 475,812	$ 780,807	$ 4,366	$ 223,942	$ 1,830,099
Accumulated depreciation						
Balance as of Jan. 1, 2023	$ -	$ 339,302	$ 483,816	$ 2,462	$ 184,915	$ 1,010,495
Depreciation expense	-	10,422	39,313	504	4,550	54,789
Disposal	-	(409)	(4,955)	(83)	(3,801)	(9,248)
Balance as of Sept. 30, 2023	$ -	$ 349,315	$ 518,174	$ 2,883	$ 185,664	$ 1,056,036
Net amount as of Sept. 30, 2023	$ 345,172	$ 126,497	$ 262,633	$ 1,483	$ 38,278	$ 774,063

There is no indication of impairment of the listed property, plant and equipment as assessed by management from Jan. 1 to Sept. 30, 2024 and 2023.

Property, plant and equipment are depreciated on a straight-line basis based on the following years of durability:

Buildings	
Headquarters building	50 years
Factory buildings	35 years
Others	3 - 50 years
Machinery and equipment	1 - 20 years
Office equipment	1 - 12 years
Other equipment	2 - 30 years

Please refer to Note XXXI for the amount of self-use property, plant and equipment set as security for borrowings.

The Company of the Consolidated Company obtains the solar optoelectronic system for its own use by leasing the roof of the plant located in Yangmei District, Taoyuan City as the consideration, and the leased roof is used by the lessee to set up the solar optoelectronic system to generate power for operation, so as to sell power to Taiwan Power Company; the lease term is calculated from the date of commercial operation of the solar optoelectronic system in August 2023 to the end of 20 years. The lessee does not have a preferential right to purchase at the end of the lease term.

The total amount of future lease payments for operating lease is as follows:

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Year 1	$ 126	$ -	$ 126
Year 2	503	503	503
Year 3	503	503	503
Year 4	503	503	503
Year 5	503	503	503
Over 5 years	7,332	7,835	7,835
	$ 9,470	$ 9,847	$ 9,973

XIII. Lease Agreements

(I) Right-of-use asset

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Carrying amount of right-of-use assets			
Transportation equipment	$ 4,588	$ 3,635	$ 4,088

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Additions of right-of-use assets	$ 684	$ 3,943	$ 2,413	$ 3,943
Depreciation expense right-of-use assets				
Transportation equipment	$ 510	$ 364	$ 1,460	$ 736

No major sublease or impairment occurred in the Consolidated Company's right-of-use assets from Jan. 1 to Sept. 30, 2024 and from Jan. 1 to Sept. 30, 2023, except for the above recognized depreciation expense.

(II) Lease liabilities

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Carrying amount of lease liabilities			
Current	$ 2,046	$ 1,467	$ 1,601
Non-current	$ 2,586	$ 2,191	$ 2,502

Ranges of discount rates for lease liabilities are as follow:

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Transportation equipment	1.590%~2.499%	1.590%~2.459%	1.590%~2.459%

XIV. Intangible assets

	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Cost		
Opening balance	$ 21,671	$ 20,789
Current new additions	-	882
Ending balance	$ 21,671	$ 21,671
Accumulated amortization		
Opening balance	$ 11,654	$ 6,631
Amortization expenses	3,842	3,742
Ending balance	$ 15,496	$ 10,373
Net amount at the beginning of the period	$ 10,017	$ 14,158
Net amount at the end of the period	$ 6,175	$ 11,298

Amortization expenses are calculated on a straight-line basis over their estimated useful lives as shown in the following:

Computer software	3 - 12 years

XV. Other financial assets - current

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Current			
Pledged time deposit	$ 1,503	$ 4,000	$ -

Please refer to Note XXXI for the margin deposit of the Taiwan Small and Medium Enterprise Counseling Foundation as a consortium legal entity.

XVI. Other assets

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Current			
Others	$ 914	$ 250	$ 1,724
Non-current			
Refundable deposits	$ 1,467	$ 1,507	$ 1,507
Debt collection	89	1,230	1,020
Less: Allowance for bad debts	(89)	(1,230)	(1,020)
	$ 1,467	$ 1,507	$ 1,507

XVII. Borrowings

(I) Short-term borrowings

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Unsecured borrowings			
- Bank loans	$ 140,000	$ 170,000	$ 60,000

The interest rates for borrowing bank revolving loans ranged from 1.875%-2.051%, 1.473%-2.002%, and 1.75% as of Sept. 30, 2024, Dec. 31, 2023, and Sept. 30, 2023, respectively.

(II) Short-term bills payable

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Commercial paper payable	$ 30,000	$ 50,000	$ -

Outstanding short-term bills payable were as follows:

Sept. 30, 2024

Guarantee/ acceptance institution	Face amount	Discount amount	Carrying amount	Interest rate range	Name of collateral	Carrying amount of collateral
Commercial paper payable						
Taiwan Finance Corporation	$ 30,000	$ -	$ 30,000	1.63%	None	$ -

Dec. 31, 2023

Guarantee/ acceptance institution	Face amount	Discount amount	Carrying amount	Interest rate range	Name of collateral	Carrying amount of collateral
Commercial paper payable						
Taiwan Finance Corporation	$ 50,000	$ -	$ 50,000	1.50%	None	$ -

Sept. 30, 2023: None.

The above commercial paper payable is measured at its original face value as the effect of discounting is not significant.

XVIII. Accounts Payable and Notes Payable

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Notes payable			
Occurred due to business operations	$ 35,792	$ 41,613	$ 54,589
Accounts payable			
Occurred due to business operations			
Non related parties	$ 40,278	$ 34,783	$ 33,250

Accounts payable shall be paid in accordance with contractual terms and the Consolidated Company has a financial risk management policy in place to ensure that all accounts payable are repaid within pre-agreed credit terms.

XIX. Others liability

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Current			
Other payables			
Wages and bonuses payable	$ 31,248	$ 36,246	$ 29,820
Remuneration to directors and compensation to employees payable	1,593	860	1,111
Commission payable	6,950	4,570	7,980
Labor and health insurance payable	4,007	4,080	4,127
Water and electricity charge payable	12,223	8,758	10,597
Investment amounts payable	7,546	-	-
Others	5,309	4,862	4,635
	$ 68,876	$ 59,376	$ 58,270
Other current liabilities			
Collection for others	$ 1,994	$ 1,901	$ 1,912
Receipts in advance	187	106	120
Temporary receipts	-	-	16
	$ 2,181	$ 2,007	$ 2,048
Non-current			
Deferred income			
Government Grants	$ 1,779	$ 4,381	$ 5,249
Rental income	9,470	9,847	9,973
	$ 11,249	$ 14,228	$ 15,222

XX. Provision for Liabilities

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Employee benefits	$ 1,011	$ 832	$ 7,157

The provision for employee benefit liabilities is an estimate of employees' acquired service leave entitlements.

XXI. Post-employment Benefit Plans

The pension expenses related to the defined benefit plans recognized from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023 were calculated based on the actuarially determined pension cost rate on Dec. 31, 2023 and 2022, and the amounts were NTD 169 thousand, NTD 174 thousand, NTD 510 thousand, and NTD 521 thousand, respectively.

XXII. Equity

(I) Common share capital

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Authorized shares (in thousands)	210,000	210,000	210,000
Authorized capital	$ 2,100,000	$ 2,100,000	$ 2,100,000
Issued and paid shares (in thousands)	129,834	129,834	129,834
Issued capital	$ 1,298,338	$ 1,298,338	$ 1,298,338

A holder of issued common shares with par value of NTD 10 per share is entitled to vote and to receive dividends.

(II) Capital surplus

	Sept. 30, 2023	Dec. 31, 2023	Sept. 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Additional paid-in capital	$ 35,694	$ 35,694	$ 35,694
Treasury stock transactions	606	606	606
May be used to offset a deficit only			
Cash dividends received by a subsidiary from the parent company	32,311	30,382	30,382
	$ 68,611	$ 66,682	$ 66,682

(III) Retained earnings and dividend policy

In accordance with the earnings distribution policy of the Company’s articles of association, if there is any surplus in the annual accounts, after paying tax and making up accumulated deficits, 10% shall be set aside as legal reserve, but if the legal reserve has reached the amount of the Company’s paid-in capital, no further provision shall be made, and the remainder shall be provided for by law or reversed to special reserve. If there is still a balance, the Board of Directors shall, in accordance with the Company’s actual operating conditions and capital requirements, prepare a proposal for the distribution of surplus to the shareholders' meeting for resolution on the distribution of dividends to shareholders, of which not less than 30% shall be cash dividends. For information on the accrual basis of the employees' compensation and remuneration of directors, refer to Note XXIV(VII) employees' compensation and remuneration of directors.

When the Company provides special reserve for the net decrease in other equity accumulated in prior periods, it is provided only for the undistributed earnings of prior periods.

The distribution of earnings for 2023 and 2022 is as follows:

	2023	2022
Legal reserve	$ 1,714	$ 4,329
Cash dividends	$ 32,458	$ 32,458
Cash dividend per share (NTD)	$ 0.25	$ 0.25

The cash dividends for 2023 were resolved by the Board of Directors on Feb. 27, 2024, and the distribution of the remaining earnings was resolved by the shareholders' meeting held on May 29, 2024. The distribution of the remaining earnings for 2022 had been resolved by the shareholders' meeting held on Jun. 26, 2023.

(IV) Special reserve

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Special reserve	$ 37,213	$ 37,213	$ 37,213

When IFRS Accounting Standards were first adopted, due to the difference between the market value of the Parent Company's shares held by the subsidiary and the carrying value of the Parent Company's shares, it was transferred to retained earnings in proportion to the Company's shareholding. The amount of unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings were NTD 20,989 thousand, NTD 13,082 thousand and NTD 3,142 thousand, respectively, totaling NTD 37,213 thousand, and the same amount was provided for as special reserve.

(V) Other items of equity

Unrealized valuation profit or loss on financial assets at fair value through other comprehensive income

	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Opening balance	$ 38,942	$ 24,926
Generated for the period		
Unrealised gains and losses		
Equity instrument	(4,161)	16,589
Ending balance	$ 34,781	$ 41,515

(VI) Treasury shares

Reason of repatriation	Buy back to logout (Thousand shares)	Holding of parent company shares by a subsidiary (Thousand shares)	Total (Thousand shares)
Number of shares as of Jan. 1, 2024	-	7,714	7,714
Current increased	-	-	-
Number of shares as of Sept. 30, 2024	-	7,714	7,714
Number of shares as of Jan. 1, 2023	-	7,714	7,714
Current increased	-	-	-
Number of shares as of Sept. 30, 2023	-	7,714	7,714

In order to protect the rights and interests of shareholders of the Company, the subsidiary repurchases the shares of the Company. The information relating to the shares of the Company held by subsidiaries as at the balance sheet date is as follows:

Investee	Number of shares held (Thousand shares)	Carrying amount	Market price
Chang Hui Investment Co., Ltd.			
Sept. 30, 2024	7,714	$ 77,032	$ 140,397
Dec. 31, 2023	7,714	$ 77,032	$ 128,440
Sept. 30, 2023	7,714	$ 77,032	$ 136,924

The treasury stocks held by the Company, in accordance with Securities and Exchange Act, shall not be pledged and the Company is not entitle to distribute dividends and to vote. The shares of the Company held by a subsidiary shall be regarded as treasury stocks. It is given the same rights as the common shareholders, except for cash increase from the Company and voting.

XXIII. Operating Income

(I) Details of revenue from contracts with customers

An analysis of revenue from the Consolidated Company's principal products and services for the continuing operations is as follows:

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Finished fabric	$ 204,257	$ 236,107	$ 637,204	$ 670,652
Grey fabric	34,256	36,708	105,134	89,673
Processed silk	177,364	136,773	489,899	406,477
Others	132	497	464	2,410
	$ 416,009	$ 410,085	$ 1,232,701	$ 1,169,212

(II) Contract balance

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023	Jan. 1, 2023
Accounts receivable	$ 118,736	$ 104,140	$ 116,199	$ 141,461
Contract liability				
Sales revenue received in advance	$ 37,219	$ 34,092	$ 40,277	$ 22,081

The change in contract liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The contractual liability from the beginning of the period was recognized in operating income from Jan. 1 to Sept. 30, 2024 in the amount of NTD 30,623.

The contractual liability from the beginning of the period was recognized in operating income from Jan. 1 to Sept. 30, 2023 in the amount of NTD 19,161.

XXIV. Net Profit of Continuing Operations

(I) Net other incomes and expenses

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Loss on discard of property, plant, and equipment	($ 334)	($ 104)	($ 553)	($ 276)

(II) Interest revenue

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Interest revenue from cash in banks	$ 4	$ 1,655	$ 316	$ 5,308
Interest revenue from corporate bonds	2,763	91	8,115	91
Others	769	-	769	-
	$ 3,536	$ 1,746	$ 9,200	$ 5,399

(III) Other income

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Subsidy income	$ 5,111	$ 1,276	$ 11,855	$ 3,330
Others	2,597	77	2,998	219
	$ 7,708	$ 1,353	$ 14,853	$ 3,549

(IV) Financial costs

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Interest on bank loans	$ 1,097	$ 512	$ 2,547	$ 1,783
Commercial paper interest	15	-	86	202
Interest on lease liabilities	28	19	76	25
	$ 1,140	$ 531	$ 2,709	$ 2,010

(V) Depreciation and amortization

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Property, Plant and Equipment	$ 17,012	$ 18,272	$ 52,475	$ 54,789
Right-of-use asset	510	364	1,460	736
Intangible assets	1,280	1,257	3,842	3,742
Total	$ 18,802	$ 19,893	$ 57,777	$ 59,267
An analysis of depreciation by function				
Operating cost	$ 16,868	$ 18,290	$ 52,066	$ 54,839
Operating expenses	654	346	1,869	686
	$ 17,522	$ 18,636	$ 53,935	$ 55,525
An analysis of amortization by function				
Operating cost	$ 1,130	$ 1,130	$ 3,390	$ 3,386
Operating expenses	150	127	452	356
	$ 1,280	$ 1,257	$ 3,842	$ 3,742

(VI) Employee benefit expense

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Short-term employee benefits				
Salary expense	$ 59,254	$ 57,638	$ 178,221	$ 174,728
Insurance expense of staff	6,084	6,144	18,877	18,699
Pensions				
Defined contribution plans	2,328	2,360	7,010	7,055
Defined benefit plans	169	174	510	521
Other employee benefits	4,377	3,790	11,758	11,212
Total employee welfare expenses	$ 72,212	$ 70,106	$ 216,376	$ 212,215
Summary by function				
Operating cost	$ 55,313	$ 55,286	$ 168,181	$ 167,448
Operating expenses	16,899	14,820	48,195	44,767
	$ 72,212	$ 70,106	$ 216,376	$ 212,215

(VII) Employees' compensation and remuneration of directors

Articles of Incorporation of the Company stipulate to distribute employees' compensation and remuneration of directors at the rates of 2% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The estimated employees' compensation and remuneration of directors from Jan. 1 to Sept. 30, 2024 and 2023 are as follows:

Accrual Rate

	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Employees' compensation	2%	2%
Remuneration of directors	3%	3%

Amount

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Employees' compensation	($ 9)	$ 122	$ 637	$ 444
Remuneration of directors	($ 13)	$ 184	$ 956	$ 667

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and will be reflected in the following year.

At the Board of Directors meetings of the Company held on Feb. 27, 2024 and Mar. 7, 2023, the Company resolved to approve the employees' compensation and the remuneration of directors for the years 2023 and 2022, respectively, as follows:

	2023	2022
	Cash	Cash
Employees' compensation	$ 344	$ 1,006
Remuneration of directors	516	1,510

There are no differences between the actual allotment amount of employees' compensation and remuneration of directors in 2023 and 2022 and the amount recognized in the consolidated financial report in 2023 and 2022.

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

(VIII) Foreign exchange gain (loss)

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Total foreign exchange gain	$ 4,461	$ 8,926	$ 17,498	$ 17,088
Total foreign exchange loss	(6,577)	-	(11,069)	(3,226)
Net gain (loss)	($ 2,116)	$ 8,926	$ 6,429	$ 13,862

XXV. Income Tax of Continuing Operations

(I) Income tax recognized in profit or loss

Main components of income tax expense (benefit) are as follows:

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Current income tax				
Current generated	$ 632	$ -	$ 2,641	$ -
A surtax on unappropriated earnings	-	-	-	326
Adjustments to prior years' amounts	-	-	-	(5,332)
Deferred income tax				
Current generated	(315)	1,028	692	3,661
Income tax expense (benefit) recognized in profit or loss	$ 317	$ 1,028	$ 3,333	($ 1,345)

(II) Income tax examination

The profit-seeking enterprise income tax declaration of Taiwan TAFFETA Fabric Co., Ltd. of the Consolidated Company has been approved by the tax collection authority until 2021.

The profit-seeking enterprise income tax declaration of Chang Hui Investment Co., Ltd. of the Consolidated Company has been approved by the tax collection authority until 2022.

XXVI. Earnings per Share

Unit: NTD per share

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Basic earnings per share				
From the continuing operations	$ -	$ 0.04	$ 0.24	$ 0.18
Diluted earnings per share				
From the continuing operations	$ -	$ 0.04	$ 0.24	$ 0.18

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

Current net profit (loss)

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Net profit (loss) attributed to the owners of the Company				
Net income (loss) in the computation of basic earnings per share	($ 104)	$ 4,799	$ 29,586	$ 22,521
Net income in the computation of diluted earnings per share	($ 104)	$ 4,799	$ 29,586	$ 22,521

Number of shares

Unit: Thousand Shares

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Weighted average number of ordinary shares in computation of basic earnings per share	122,120	122,120	122,120	122,120
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	25	40	44
Weighted average number of ordinary shares used in the computation of diluted earnings per share	122,120	122,145	122,160	122,164

Since the Consolidated Company offered to settle compensation paid to employees in cash or shares, the Consolidated Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year by shareholders' meeting.

XXVII. Government Grants

In 2021, the Consolidated Company received a grant of NTD 12,010 thousand from the Ministry of Economic Affairs for the Taiwan Industry Innovation Platform Program. The amount has been recognized as deferred income and transferred to profit or loss over the useful lives of the related assets. The other recognized income from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023 was NTD 868 thousand, NTD 868 thousand, NTD 2,603 thousand, and NTD 2,603 thousand, respectively.

In 2023, the Consolidated Company applied for a grant of the Textile Supply Chain Low Carbon Emission Development Technology Program, launched by the Ministry of Economic Affairs' Taiwan Industry Innovation Platform Program, and the program has been implemented from Apr. 1, 2023 to Mar. 31, 2025. The amount of the grant received by the Consolidated Company from the Ministry of Economic Affairs was NTD 6,230 thousand. The Consolidated Company recognized NTD 1,104 thousand, NTD 0 thousand, NTD 1,104 thousand, and NTD 0 thousand in other income from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023, respectively.

In 2023, the Consolidated Company applied for a grant from the Administration for Digital Industries, moda for the Program of Application Development and Environment Construction Program for Communication Innovation Technology "5G MR Collaboration and Training Application Program for Cloth Weaving and Inspection in Weaving Plant", and the Program was implemented from Jul. 1, 2023 to Sept. 30, 2024. The amount of the grant received by the Consolidated Company from the Administration for Digital Industries, moda was NTD 11,440 thousand. The Consolidated Company recognized other income from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023 of NTD 3,005 thousand, NTD 0 thousand, NTD 7,496 thousand, and NTD 0 thousand, respectively.

XXVIII. Capital Risk Management

The Consolidated Company manages its capital to ensure that it is able to maximize shareholders return as a going concern through the optimization of the debt and equity balance.

The Consolidated Company adopts a prudent risk management strategy and reviews it regularly to determine the appropriate capital structure for the Consolidated Company by making an overall plan based on its business development strategy and operational requirements.

XXIX. Financial Instruments

(I) Fair value information - financial instruments measured at fair value on a recurring basis

1. Hierarchy of fair value measurement

Sept. 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed (OTC) stocks	$ 18,662	$ -	$ -	$ 18,662
Fund beneficiary certificate	100,210	-	-	100,210
Corporate bonds	169,842	-	-	169,842
	$ 288,714	$ -	$ -	$ 288,714
Financial assets at fair value through other comprehensive income				
Equity instrument investment - Domestic listed (OTC) stocks	$ 70,566	$ -	$ -	$ 70,566

Dec. 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed (OTC) stocks	$ 55,811	$ -	$ -	$ 55,811
Fund beneficiary certificate	20,000	-	-	20,000
Corporate bonds	140,350	-	-	140,350
	$ 216,161	$ -	$ -	$ 216,161
Financial assets at fair value through other comprehensive income				
Equity instrument investment - Domestic listed (OTC) stocks	$ 73,797	$ -	$ -	$ 73,797

Sept. 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed (OTC) stocks	$ 53,916	$ -	$ -	$ 53,916
Fund beneficiary certificate	29,452	-	-	29,452
Corporate bonds	59,406	-	-	59,406
	$ 142,774	$ -	$ -	$ 142,774
Financial assets at fair value through other comprehensive income				
Equity instrument investment - Domestic listed (OTC) stocks	$ 70,670	$ -	$ -	$ 70,670

There was no transfer of fair value measurements between Level 1 and Level 2 from Jan. 1 to Sept. 30, 2024 and 2023.

(II) Categories of financial instruments

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Financial asset			
Financial assets measured at amortized cost			
Cash and cash equivalents	$ 130,219	$ 248,447	$ 157,217
Note receivable	16,960	11,773	8,869
Accounts receivable	118,736	104,140	116,199
Other receivables	10,391	9,961	6,130
Other financial assets - current	1,503	4,000	-
Refundable deposits	1,467	1,507	1,507
Financial assets at FVTPL			
Financial assets designated as at FVTPL	288,714	216,161	142,774
Financial assets at fair value through other comprehensive income			
Equity instrument investment - current	70,566	73,797	70,670

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Financial liability			
Measured at amortized cost			
Short-term borrowings	140,000	170,000	60,000
Short-term bills payable	30,000	50,000	-
Notes payable	35,792	41,613	54,589
Accounts payable	40,278	34,783	33,250
Other payables	68,876	59,376	58,270
Other current liabilities	2,181	2,007	2,048

(III) Financial risk management objectives and policies

The Consolidated Company is committed to ensuring that it has adequate and cost effective working capital to meet its operational requirements. The Consolidated Company carefully manages market risk (including foreign currency exchange rate risk, interest rate risk and equity instrument price risk), credit risk and liquidity risk associated with its operations to reduce the potential adverse impact of market uncertainty on the Company's finances.

1. Market risk

(1) Foreign currency risk

The Consolidated Company’s primary market risk exposure is the exchange rate risk arising from the receipt of foreign currency assets as a result of foreign sales.

Please refer to Note XXXIV for the carrying amounts of monetary assets and monetary liabilities denominated in foreign currencies as of the balance sheet date.

The sensitivity analysis of foreign currency exchange rate risk is calculated primarily for monetary items denominated in foreign currencies at the end of the financial reporting period. A 5% unfavorable change in the New Taiwan dollar against various foreign currencies would result in a decrease in the Consolidated Company’s net income before income taxes of NTD 12,902 thousand and NTD 9,782 thousand from Jan. 1 to Sept. 30, 2024 and 2023, respectively.

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments due to changes in market interest rates. The Consolidated Company' interest rate risk arises primarily from bank borrowings.

The individual in the Consolidated Company incurs an interest rate exposure because it borrows funds at fixed and floating interest rates. The Consolidated Company manages the interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Consolidated Company regularly evaluates hedging activities and make them consistent with interest rate views and established risk preference to ensure that the most cost-effective hedging strategy is employed.

The carrying amount of the Consolidated Company's financial assets and liabilities subject to the interest rate exposure on the balance sheet date is as follows:

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Interest rate risk in the fair value			
- Financial asset	$ -	$ 30,705	$ 64,540
Interest rate risk in the cash flow			
- Financial asset	36,462	86,462	35,150
- Financial liability	140,000	170,000	60,000

The Consolidated Company is exposed to the interest rate risk in the cash flow as a result of holding bank borrowings with a variable interest rate.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. With respect to the analysis of liabilities with a variable interest rate, assuming that the amount of liabilities outstanding on the balance sheet date has been flowing externally all year. The rate of change used within the Group when reporting interest rates to the key management is a 100 basis point increase or decrease in interest rates, which also represents the management's evaluation on the range of reasonably possible changes in interest rates.

With respect to the sensitivity analysis of interest rate risk, assuming that the borrowings at the balance sheet date are held for the entire reporting period, a 100 basis point (1%) increase in interest rates, all other things being equal, would reduce the Consolidated Company’s net income before tax by NTD 777 thousand and NTD 186 thousand from Jan. 1 to Sept. 30, 2024 and 2023, respectively.

(3) Other price risk

The Consolidated Company incurs equity price exposure on domestic listed (OTC) stocks, fund beneficiary certificates, and corporate bonds, which are not held for trading and are strategic investments. The Consolidated Company has not actively traded these investments.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure on domestic listed (OTC) stocks, fund beneficiary certificates, and corporate bonds on the balance sheet date.

If the equity price had decreased by 5%, the pre-tax profit or loss from Jan. 1 to Sept. 30, 2024 and 2023 would have been reduced by NTD 14,436 thousand and NTD 7,139 thousand due to the decrease in the fair value of financial assets measured at fair value through profit or loss.

The Consolidated Company may be exposed to equity price fluctuations as a result of holding listed (OTC) equity securities and corporate bonds. This equity investment is a strategic investment and has not been actively traded. The management of the Consolidated Company has assessed that the price risk arising from the above listed OTC equity securities is not significant to the Consolidated Company.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Company. As at the end of the reporting period, the Consolidated Company’s maximum exposure to credit risk which will cause a financial loss to the Consolidated Company due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The policy adopted by the Consolidated Company is to deal only with reputable counterparties and obtain adequate security where necessary to mitigate the risk of financial loss arising from default. To mitigate credit risk, the management of the Consolidated Company has established management control procedures for the determination of credit limits and approval of credit facilities to ensure the collection of overdue receivables. In addition, the Consolidated Company reviews the recoverable amounts of receivables individually at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. According these, the management considers the Consolidated Company's credit risk has significantly decreased. In addition, because the counterparties of working capital are all financial institutions and corporate organizations with good credit, the credit risk is limited, and therefore, no significant credit risk is expected.

3. Liquidity risk

The Consolidated Company's objective in managing liquidity risk is to ensure that the Consolidated Company has sufficient liquidity to meet its future operating requirements. The Consolidated Company meets its contractual obligations by maintaining appropriate funding and banking facilities. The financial liabilities of the Consolidated Company with agreed repayment periods are all due within one year.

As of Sept. 30, 2024, Dec. 31, 2023, and Sept. 30, 2023, the unused bank financing amounts of the Consolidated Company were NTD 640,000 thousand, NTD 590,000 thousand and NTD 750,000 thousand, respectively.

XXX. Related Party Transaction

Transactions, balances, income and expenses between the Company and subsidiaries (related parties of the Company) may be all eliminated in consolidation, which are thus not disclosed in the note. The transactions between the Consolidated Company and other related parties are as follows.

(I) Name of related party and relations therewith

Name of related party	Relations with the Consolidated Company
Universal Textile Co., Ltd.	Entity with material influence on the Consolidated Company (Note)

Note: Universal Textile Co., Ltd. has had material influence on the Consolidated Company since August 2024 and has been listed as a related party.

(II) Purchases

Name of related party	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Universal Textile Co., Ltd.	$ 149	$ -	$ 149	$ -

The above-mentioned business transaction prices and payment terms are equivalent to those offered general suppliers.

(III) Main management rewards

	Jul. 1 to Sept. 30, 2024	Jul. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Short-term employee benefits	$ 1,306	$ 1,257	$ 4,659	$ 4,629

The remuneration of directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

XXXI. Pledged Assets

The following assets have been provided as collateral security for bank facilities for the Taiwan Small and Medium Enterprise Counseling Foundation:

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Property, Plant and Equipment - Land	$ 22,886	$ 22,886	$ 22,886
Property, Plant and Equipment - Buildings	25,141	28,852	29,875
Other financial assets - current	1,503	4,000	-
	$ 49,530	$ 55,738	$ 52,761

XXXII. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those already described in other notes, the Consolidated Company had the following material commitments and contingencies as at the balance sheet date:

As of Sept. 30, 2024, the Consolidated Company entered into contracts for the purchase of significant construction and equipment for a total untaxed contract price of NTD 15,076 thousand of which NTD 11,769 thousand was paid and recorded under the prepayment for equipment account.

As of Dec. 31, 2023, the Consolidated Company entered into contracts for the purchase of significant construction and equipment for a total untaxed contract price of NTD 17,728 thousand of which NTD 14,454 thousand was paid and recorded under the prepayment for equipment account.

As of Sept. 30, 2023, the Consolidated Company entered into contracts for the purchase of significant construction and equipment for a total untaxed contract price of NTD 23,378 thousand of which NTD 17,946 thousand was paid and recorded under the prepayment for equipment account.

XXXIII. Other Matters

On Feb. 15, 2023, the President of the R.O.C. announced amendments to the Climate Change Response Act and added regulations on the levy of carbon fees. Subsequently, on Aug. 29, 2024, the Ministry of Environment announced the drafts of the Regulations for Charging of Carbon Fees, the Voluntary Reduction Plan Management Regulations, and the Specified Greenhouse Gas Reduction Targets for Parties Imposed with Carbon Fees. The carbon fee rates were announced on Oct. 21, 2024 and will take effect on January 1, 2025. Based on the emissions assessment in 2024, the Consolidated Company will be charged carbon fees. Therefore, relevant provision for the liability will be recognized based on the actual emissions in 2025 and the carbon fee will be paid in May 2026.

XXXIV. Information on Foreign-currency-denominated Assets and Liabilities

The following information is summarized according to the foreign currencies other than the functional currency of the Consolidated Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies are as follows:

	Sept. 30, 2024		
	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Monetary items			
USD	$ 8,366	31.65	$ 264,790
RMB	42	4.523	191
			$ 264,981
Financial liability			
Monetary items			
USD	220	31.65	$ 6,950

	Dec. 31, 2023		
	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Monetary items			
USD	$ 8,221	30.705	$ 252,422
RMB	42	4.311	182
			$ 252,604
Financial liability			
Monetary items			
USD	149	30.705	$ 4,570

	Sept. 30, 2023		
	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Monetary items			
USD	$ 6,304	32.270	$ 203,437
RMB	42	4.415	187
			$ 203,624
Financial liability			
Monetary items			
USD	247	32.270	$ 7,980

The Consolidated Company’s profits (losses) on the foreign exchange (realized and unrealized) from Jul. 1 to Sept. 30, 2024 and 2023 and Jan. 1 to Sept. 30, 2024 and 2023 were NTD (2,116) thousand, NTD 8,926 thousand, NTD 6,429 thousand, and NTD 13,862 thousand, respectively. They were mainly generated by the exchange of USD for NTD.

XXXV. Other Disclosures in Notes

(I) Information about significant transactions and (II) Information on Investees:

1. Financing provided to others: None.
2. Endorsements/ guarantees provided: None.
3. Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): Please refer to Table 1.
4. Marketable securities acquired and disposed at costs or prices at least NTD 300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NTD 300 million or 20%of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NTD 300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NTD 100 million or 20%of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: None.
11. Information on investees: Table 2.

(III) Information on Investment in Mainland China: None.

(IV) Information on major shareholders

Names, numbers of shares held, and shareholding percentages of shareholders who hold 5%or more of the equity: Table 3.

XXXVI. Information on Segments

The Consolidated Company determines its business departments based on management reports used by management authorities to make decisions, evaluate performance, and allocate resources, with a focus on the types of products delivered. The reporting segments of the Consolidated Company are Fugang Yarn Factory, Pate Fabric Factory, and Jewelry and Clothing Department.

(I) Segment revenues and results

The following was an analysis of the Consolidated Company's revenue and results by the reporting department.

	Segment revenue		Segment gain (loss)	
	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023	Jan. 1 to Sept. 30, 2024	Jan. 1 to Sept. 30, 2023
Fukang Yarn Factory	$ 489,667	$ 406,175	($ 45,775)	($ 54,368)
Pate Factory	742,809	761,973	27,819	63,351
Accessories and clothing segments	225	1,064	(9)	21
Total amount of continuing operations	$1,232,701	$1,169,212	(17,965)	9,004
Headquarters management costs and director and supervisor remuneration			(4,752)	(3,980)
Research and development expenses			(3,361)	(1,996)
Financial costs			(2,709)	(2,010)
Interest revenue			9,200	5,399
Rental income			377	84
Dividend income			10,930	632
Other income			14,853	3,549
Foreign exchange gain			6,429	13,862
Gain (loss) on financial assets at fair value through profit or loss			19,921	(3,367)
Net profit before income tax of continuing operations			$ 32,923	$ 21,177

The reported departmental income are generated from transactions with external customers. There were no intragroup sales that occurred from Jan. 1 to Sept. 30, 2024 and 2023.

Departmental benefits refer to the profits earned by each department, excluding the headquarters management costs and remuneration to directors and supervisors, research and development expenses, non-operating income and expenses that should be shared. The amount of measurement provided to the key operating decision maker for resource allocation and performance evaluation of departments.

(II) Total assets of department

	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2023
Fukang Yarn Factory	$ 791,669	$ 796,531	$ 824,528
Pate Factory	507,073	522,624	531,468
Total departmental assets	1,298,742	1,319,155	1,355,996
Add: Current assets	201,086	302,898	211,623
Investment	359,280	289,958	213,444
Property, plant and equipment	30,957	29,225	28,476
Other assets	95,187	100,203	100,322
Total assets	$ 1,985,252	$ 2,041,439	$ 1,909,861

(III) Please refer to Note XXIII for the income from main products and services.

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Marketable Securities Held

Sept. 30, 2024

Table 1

Unit: Thousand shares/ in thousands of NTD

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial statement account	Sept. 30, 2024				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Taiwan TAFFETA Fabric Co., Ltd.	Corporate bonds							
	Verizon corporate bonds VZ 3	None	Financial assets at FVTPL - Current	6,774	$ 138,479	-	$ 138,479	
	Altria Group corporate bonds MO 4	None	〃	1,296	31,363	-	31,363	
Chang Hui Investment Co., Ltd.	Funds and beneficiary certificates							
	KGI US Premium Selection High Yield Bond ETF	None	〃	4,500	67,590	-	67,590	
	CAPITAL ICE ESG 20+ Year BBB Corporate ETF	None	〃	2,000	32,620	-	32,620	
	Domestic listed (OTC) stocks							
	Cathay Consolidated, Inc.	None	〃	110	10,615	-	10,615	
	BenQ Materials Corp.	None	〃	260	8,047	-	8,047	
					$ 288,714		$ 288,714	
Taiwan TAFFETA Fabric Co., Ltd.	Domestic listed (OTC) stocks							
	Universal Textile Co., Ltd.	None	Financial assets at FVOCI - Current	2,868	$ 55,492	2	$ 55,492	
Chang Hui Investment Co., Ltd.	Domestic listed (OTC) stocks							
	Universal Textile Co., Ltd.	None	〃	779	15,074	1	15,074	
					$ 70,566		$ 70,566	
Taiwan TAFFETA Fabric Co., Ltd.	Domestic unlisted (OTC) stocks							
	Taiwan Filament Weaving Development Co., Ltd.	None	Financial assets at FVOCI - Non-current					
	- Common share			1,450	$ -	3	$ -	
	- Preference share			63	-	2	-	
Chang Hui Investment Co., Ltd.	Domestic unlisted (OTC) stocks							
	Taiwan Filament Weaving Development Co., Ltd.	None	〃	725	-	1	-	
	Jetts BIO-Photon Corporation	None	〃	32	-	1	-	
					$ -		$ -	

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Information about the Invested Company, Location, etc

Jan. 1 to Sept. 30, 2024

Table 2

Unit: Thousand shares/ in thousands of NTD

Investor	Investor Company	Location	Main business activities	Investment Amount		As of Sept. 30, 2024			Current income (loss) from investees	Investment income (loss) recognized in the current period	Remarks
				By the end of the current period	End of last year	Thousand shares	Ratio %	Carrying amount			
Taiwan TAFFETA Fabric Co., Ltd.	Chang Hui Investment Co., Ltd.	11F., No. 70-1, Xining N. Rd., Datong Dist., Taipei City, Taiwan (R.O.C.)	Investment	$ 189,970	$ 189,970	18,997	99.98%	$ 139,413	$ 19,940	$ 18,007	Subsidiary

Note 1: Chang Hui Investment Co., Ltd. has been incorporated into the consolidated financial statements.

Note 2: The financial statements of Chang Hui Investment Co., Ltd. are prepared based on the company's reviewed financial statements for the same period.

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Information on Major Shareholders

Sept. 30, 2024

Table 3

Name of major shareholder	Shares	
	Number of shares held	Shareholding ratio
Universal Textile Co., Ltd.	29,712,218	22.88%
Chang Hui Investment Co., Ltd.	7,714,103	5.74%

Note 1: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

Note 2: The aforementioned information will be disclosed by the trustors' personal accounts settled by the trustees If the shareholders put the shares into a trust. As for the insider declaration of the ownership percentage over 10%, including the shares on hand and those being put in the trust and may be able to decide the usage of the trust assets, please refer to the declaration information on Market Observation Post System (MOPS).