Stock Code:1455

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements for the Three Months Ended March 31, 2025 and 2024 and Independent Auditors' Report

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Zig Sheng Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the

Three Months Ended March 31, 2025

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Independent Auditors' Report

To: Zig Sheng Industrial Co., Ltd.

Preface

We have reviewed the consolidated financial statements of Zig Sheng Industrial Co., Ltd. and Subsidiaries (the "Group"), which comprise the consolidated balance sheets as of March 31, 2025 and 2024, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies (together "Consolidated Financial Statements"). Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan). Our responsibility is to express a conclusion on the Consolidated Financial Statements based on our reviews.

Scope

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

Basis for Qualified Conclusion

As mentioned in Note 4.3-2 of the Consolidated Financial Statements, the amount shown in the financial statements of insignificant subsidiaries included in the Consolidated Financial Statements and the related information disclosed in Note 13 of the Consolidated Financial Statements were prepared based on un-audited financial statements of the respective companies in the corresponding periods. The amount of total assets of such subsidiaries as of March 31, 2025 and 2024 was $ 49,392 thousand and $48,674 thousand, respectively, which accounted for 0.46% and 0.45% of the total consolidated assets, respectively ; The amount of total liabilities was $16,589 thousand and $20,449 thousand, respectively, which accounted for 0.36% and 0.46% of the total consolidated liabilities, respectively ; The amount of total comprehensive income (loss) for three months ended March 31, 2025 and 2024 was $2,703 thousand and $295 thousand respectively, which accounted for (2.32%) and 0.42% of the total consolidated comprehensive income (loss), respectively.

Qualified Conclusion

Based on our reviews, except for the potential effects of adjustments and disclosures on the Consolidated Financial Statements if the financial statements of the insignificant subsidiaries as mentioned in the Basis for Qualified Conclusion section and the related information disclosed in Note 13 of the Consolidated Financial Statements were reviewed by CPA, nothing has come to our attention that caused us to believe that the accompanying Consolidated Financial Statements do not present fair, in all material respects the consolidated position of the Company as of March 31, 2025 and 2024, and its consolidated financial performance for the three months ended March 31, 2025 and 2024 and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (Taiwan).

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

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

May 9, 2025

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 review such Consolidated Financial Statements are those generally accepted and applied in the Republic of China.

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2025, December 31, 2024 and March 31, 2024

Unit：Thousands of New Taiwan Dollars

Code	Assets	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6.1)	$ 133, 183	1	$ 140, 118	1	$ 58, 132	1
1110	Financial assets at FVTPL – current (Note 6.2)	952, 397	9	961, 158	9	710, 258	7
1150	Notes receivable, net (Note 6.3)	24, 955	–	39, 748	–	81, 944	1
1170	Accounts receivable, net (Note 6.4)	933, 747	9	1, 008, 834	9	1, 352, 346	12
1180	Accounts receivable - related parties, net (Note 6.4, Note 7)	–	–	15, 935	–	4, 285	–
1200	Other receivables (Note 6.5)	34, 426	–	26, 003	–	129, 033	1
1220	Current-period income tax assets	43	–	43	–	28	–
130x	Inventories, net (Note 6.6)	1, 806, 500	18	2, 003, 779	19	2, 108, 569	19
1410	Prepayments (Note 6.7)	39, 853	–	39, 394	–	48, 020	–
1479	Other current assets - other (Note 6.8)	–	–	–	–	6, 154	–
11xx	Total current assets	3, 925, 104	37	4, 235, 012	38	4, 498, 769	41
	Noncurrent Assets						
1517	Financial assets at FVTOCI - noncurrent (Note 6.9)	179, 624	2	175, 566	2	181, 433	2
1600	Property, plant and equipment (Note 6.11)	4, 502, 973	41	4, 587, 607	41	4, 721, 810	44
1755	Right-of-use asset (Note 6.12)	96, 945	1	99, 264	1	107, 103	1
1760	Investment properties, net (Note 6.13)	1, 000, 571	9	982, 558	9	879, 856	8
1780	Intangible assets (Note 6.14)	2, 511	–	3, 094	–	3, 624	–
1840	Deferred income tax assets	187, 649	2	165, 166	2	133, 757	1
1915	Prepayments for equipment	758, 490	7	700, 035	7	259, 481	3
1920	Refundable deposits (Note 6.15)	11, 552	–	11, 101	–	18, 597	–
1990	Other noncurrent assets – other (Note 6.16)	78, 267	1	51, 203	–	49, 251	–
15xx	Total noncurrent assets	6, 818, 582	63	6, 775, 594	62	6, 354, 912	59
1xxx	Total Assets	$ 10, 743, 686	100	$ 11, 010, 606	100	$ 10, 853, 681	100

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Code	Liabilities and Equity	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
	Current Liabilities						
2100	Short-term borrowings (Note 6.17)	$ 715,000	7	$ 1,285,000	13	$ 1,100,000	9
2110	Short-term notes and bills payable (Note 6.18)	599,749	6	-	-	849,664	8
2130	Contractual liabilities – current (Note 6.30)	18,658	-	28,460	-	37,947	1
2150	Notes payable (Note 6.19)	59,310	1	112,413	1	156,359	2
2160	Notes payable - related parties (Note 7)	-	-	-	-	725	-
2170	Accounts payable (Note 6.19)	443,873	4	522,796	5	476,256	4
2180	Accounts payable - related parties (Note 7)	47	-	75	-	158	-
2200	Other payables (Note 6.20)	228,385	2	264,767	2	263,219	2
2220	Other payables - related parties (Note 7)	11	-	29	-	41	-
2230	Current-period income tax liabilities	119	-	-	-	11	-
2250	Provisions - current (Note 6.21)	34,380	-	32,449	-	30,907	-
2280	Lease liabilities - current (Note 6.12)	14,200	-	12,764	-	12,484	-
2320	Long-term liabilities due within one year or one business cycle (Note 6.23)	2,667	-	-	-	360,000	4
2399	Other current liabilities – other (Note 6.22)	1,198	-	1,731	-	1,335	-
21xx	Total current liabilities	2,117,597	20	2,260,484	21	3,289,106	30
	Noncurrent Liabilities						
2540	Long-term borrowings (Note 6.23)	2,150,333	19	2,153,000	19	888,000	8
2570	Deferred income tax liabilities(Note 6.38)	139,813	1	138,754	1	139,987	1
2580	Lease liabilities - noncurrent (Note 6.12)	87,739	1	90,035	1	97,652	1
2640	Net defined benefit liability - noncurrent (Note 6.24)	36,157	1	40,319	1	44,480	1
2645	Guarantee deposits received (Note 6.25)	20,120	-	19,684	-	17,260	1
25xx	Total noncurrent liabilities	2,434,162	22	2,441,792	22	1,187,379	12
2xxx	Total Liabilities	4,551,759	42	4,702,276	43	4,476,485	42
	Equity						
	Equity attributable to owners of the parent						
3100	Share capital						
3110	Common shares (Note 6.26)	5,316,884	50	5,316,884	49	5,316,884	49
3200	Capital surplus (Note 6.27)	346,546	4	346,546	3	346,343	3
	Retained earnings (Note 6.28)						
3310	Legal reserve	268,411	2	268,411	2	341,448	3
3320	Special reserve	321,614	3	321,614	3	321,614	3
3350	Unappropriated retained earnings (accumulated deficit)	(111,413)	(1)	6,434	-	820	-
3300	Total retained earnings	478,612	4	596,459	5	663,882	6
	Other equity interest (Note 6.29)						
3410	Exchange differences on translation of financial statements of foreign operations	262	-	(234)	-	(591)	-
3420	Unrealized gains or losses on financial assets at FVTOCI (Note 6.9)	49,623	-	48,675	-	50,678	-
3400	Total other equity interest	49,885	-	48,441	-	50,087	-
31xx	Total equity attributable to owners of the parent	6,191,927	58	6,308,330	57	6,377,196	58
3xxx	Total Equity	6,191,927	58	6,308,330	57	6,377,196	58
	Total Liabilities and Equity	$ 10,743,686	100	$ 11,010,606	100	$ 10,853,681	100

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

Three Months Ended March 31, 2025 and 2024

Unit：Thousands of New Taiwan Dollars

Code	Item	January 1, 2025 to March 31, 2025 Amount	%	January 1, 2024 to March 31, 2024 Amount	%
4000	Operating revenue (Note 6.30)	$ 1,859,817	100	$ 2,243,617	100
5000	Operating costs (Note 6.6, Note 6.35)	(1,885,821)	(101)	(2,160,752)	(96)
5900	Gross profit (loss) from operations	(26,004)	(1)	82,865	4
	Operating expenses (Note 6.35)				
6100	Selling expenses	(53,636)	(2)	(54,305)	(2)
6200	Administrative expenses	(29,507)	(2)	(31,442)	(2)
6300	Research and development expenses	(12,560)	(1)	(12,344)	(1)
6000	Total operating expenses	(95,703)	(5)	(98,091)	(5)
6900	NET OPERATING INCOME (LOSS)	(121,707)	(6)	(15,226)	(1)
	Non-operating income and expenses				
7100	Interest income (Note 6.31)	37	-	225	-
7010	Other income (Note 6.32)	32,442	2	35,119	2
7020	Other gains and losses (Note 6.33)	(34,658)	(2)	65,319	3
7050	Finance costs (Note 6.34)	(15,267)	(1)	(2,203)	(1)
7000	Total non-operating income and expenses	(17,446)	(1)	98,460	4
7900	INCOME (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(139,153)	(7)	83,234	3
7950	INCOME TAX (EXPENSE) BENEFIT (Note 6.37)	21,306	1	(9,377)	-
8200	NET INCOME (LOSS)	(117,847)	(6)	73,857	3
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 6.29)				
	Items that will not be reclassified to profit or loss				
8316	Unrealized measurement gains or losses on equity instruments measured at FVTOCI (Note 6.9)	948	-	(3,393)	-
8310	Total items that will not be reclassified to profit or loss	948	-	(3,393)	-
8360	Total items that may be reclassified subsequently to profit or loss	496	-	376	-
8361	Exchange differences on translation of financial statements of foreign operations	496	-	376	-
8300	Other comprehensive income (loss) for the period, net	1,444	-	(3,017)	-
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	($ 116,403)	(6)	$ 70,840	3
8600	Net income (loss) attributable to:				
8610	Owners of the parent (net income (loss))	($ 117,847)	(6)	$ 73,857	3
8700	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent (comprehensive income (loss))	($ 116,403)	(6)	$ 70,840	3
	Earnings per share				
9750	Basic earnings (loss) per share (Note 6.38)	($ 0.22)		$ 0.14	
9850	Diluted earnings (loss) per share (Note 6.38)	($ 0.22)		$ 0.14	

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

Three Months Ended March 31, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent							
				Retained Earnings			Other Equity		
Code	Item	Share Capital – Common Shares	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences from translation of foreign operations	Unrealized gains or losses on financial assets at FVTOCI	Total Equity
A1	Balance, January 1, 2024	$ 5,316,884	$ 346,343	$ 341,448	$ 321,614	($ 73,037)	($ 967)	$ 54,071	$ 6,306,356
D1	Profit (loss) covering January 1 ~ March 31, 2024	–	–	–	–	73,857	–	–	73,857
D3	Other comprehensive income (loss) covering January 1 ~ March 31, 2024	–	–	–	–	–	376	(3,393)	(3,017)
D5	Total comprehensive income (loss) covering January 1 ~ March 31, 2024	–	–	–	–	73,857	376	(3,393)	70,840
Z1	Balance, March 31, 2024	$ 5,316,884	$ 346,343	$ 341,448	$ 321,614	$ 820	($ 591)	$ 50,678	$ 6,377,196
A1	Balance, January 1, 2025	$ 5,316,884	$ 346,546	$ 268,411	$ 321,614	$ 6,434	($ 234)	$ 48,675	$ 6,308,330
D1	Profit (loss) covering January 1 ~ March 31, 2025	–	–	–	–	(117,847)	–	–	(117,847)
D3	Other comprehensive income (loss) covering January 1 ~ March 31, 2025	–	–	–	–	–	496	948	1,444
D5	Total comprehensive income (loss) covering January 1 ~ March 31, 2025	–	–	–	–	(117,847)	496	948	(116,403)
Z1	Balance, March 31, 2025	$ 5,316,884	$ 346,546	$ 268,411	$ 321,614	($ 111,413)	$ 262	$ 49,623	$ 6,191,927

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

Code	Item	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
	CASH FLOWS FROM OPERATING ACTIVITIES：		
A00010	Net profit (loss) before tax from continuing operations	($ 139, 153)	$ 83, 234
	Adjustments:		
	Income/gain or expense/loss items not affecting cash flows		
A20100	Depreciation expense (including depreciation of right-of-use assets and investment properties)	80, 911	88, 244
A20200	Amortization expense	9, 511	9, 643
A20400	Net loss (gain) on financial assets and liabilities measured at FVTPL	35, 119	(69, 521)
A20900	Interest expense	16, 170	11, 091
A21200	Interest income	(37)	(225)
A21300	Dividend income	(3, 304)	(9, 676)
A23100	Net loss (gain) from disposal of investments	(851)	33, 047
A29900	Reclassified to other expense	147	-
A20010	Total income/gain or expense/loss items not affecting cash flows	137, 666	62, 603
	Changes in operating assets and liabilities		
	Net changes in operating assets		
A31115	Decrease (increase) in financial assets mandatorily measured at FVTPL	(28, 496)	(58, 329)
A31130	Decrease (increase) in notes receivable	14, 793	21, 013
A31150	Decrease (increase) in accounts receivable	75, 087	(124, 988)
A31160	Decrease (increase) in accounts receivable – related parties	15, 935	21, 453
A31180	Decrease (increase) in other receivables	(8, 637)	(12, 407)
A31200	Decrease (increase) in inventories	238, 678	(305, 311)
A31230	Decrease (increase) in prepayments	(459)	(5, 618)
A31240	Decrease (increase) in other current assets - other	-	16, 074
	Net changes in operating liabilities		
A32125	Increase (decrease) in contractual liabilities	(9, 802)	6, 724
A32130	Increase (decrease) in notes payable	(53, 103)	(17, 752)
A32140	Increase (decrease) in notes payable – related parties	-	725
A32150	Increase (decrease) in accounts payable	(78, 923)	9, 203
A32160	Increase (decrease) in accounts payable – related parties	(28)	32
A32180	Increase (decrease) in other payables	(48, 412)	(32, 841)
A32190	Increase (decrease) in other payables – related parties	(18)	26
A32200	Increase (decrease) in provisions	1, 930	1, 919
A32230	Increase (decrease) in other current liabilities - other	(534)	(2, 143)
A32240	Increase (decrease) in net defined benefit liabilities	(4, 162)	(13, 328)
A30000	Total net changes in operating assets and liabilities	113, 849	(495, 548)
A33000	Cash generated from (used in) operations	112, 362	(349, 711)
A33100	Interest received	11	223
A33200	Dividend received	3, 544	9, 676
A33300	Interest paid	(16, 617)	(11, 154)
A33500	Income taxes refunded (paid)	-	(3)
AAAA	Net cash flows from (used in) operating activities	99, 300	(350, 969)

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Code	Item	January 1, 2025 to March 31, 2025	January 1, 2024 to March 31, 2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of FVTOCI financial assets	($ 4, 000)	($ 4, 000)
B00030	Proceeds from capital reduction of financial assets measured at FVTOCI	890	–
B02700	Acquisition of property, plant and equipment	(16, 463)	(29, 657)
B03700	Increase in refundable deposit paid	(451)	(218)
B05400	Acquisition of investment properties	(3, 898)	(53, 068)
B06700	Increase in other noncurrent assets - other	(7, 926)	(11, 283)
B07100	Increase in prepayments for equipment	(103, 484)	(142, 537)
BBBB	NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(135, 332)	(240, 763)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	–	2, 633, 496
C00200	Decrease in short-term borrowings	(570, 000)	(2, 443, 496)
C00500	Increase in short-term notes and bills payable	600, 000	850, 000
C00600	Decrease in short-term notes and bills payable	–	(580, 000)
C01600	Proceeds from long-term borrowings	–	48, 000
C03000	Increase in guarantee deposits received	436	–
C03100	Decrease in guarantee deposits received	–	(150)
C04020	Lease principal repayments	(1, 835)	(3, 045)
CCCC	NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	28, 601	504, 805
DDDD	Effects on cash and cash equivalents due to fluctuations in exchange rates	496	376
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6, 935)	(86, 551)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	140, 118	144, 683
E00200	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 133, 183	$ 58, 132

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, unless specified otherwise)

1. General Information

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

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

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

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

The Company's stock began traded in the Taiwan Stock Exchange from October 7, 1993.

The Company is its own ultimate parent company.

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

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

2. The Authorization of Financial Statements

The accompanying Consolidated Financial Statements were approved and authorized for issue by the board of directors on May 9, 2025.

3. Application of Newly Issued and Amended Standards and Interpretations

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

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

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
   (1) Clarify and add further guidance for assessing whether a financial asset meets the solely payment of principal and interest (SPPI) criterion, ranging from contractual terms that change cash flows based on contingent events (e.g., interest rates linked to ESG objectives), to instruments with non-recourse features, and to contractually linked instruments.
   (2) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); Quantitative information on the range of changes in contractual cash flows that may arise from the terms of such contracts; the gross carrying amount of financial assets and amortized cost of financial liabilities subject to these contractual terms.
2. Amendments to IAS 21 "Lack of Exchangeability"
   This amendment defines exchangeability and provides guidance on how to determine the spot exchange rate for measurement purposes when a currency lacks exchangeability. Additionally, this amendment requires entities to provide more useful information in their financial statements when a currency is not exchangeable into another currency.

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

3.2 Effects from not yet adopting the newly issued, amended or revised International Financial Reporting Standards that have been endorsed and issued into effect by FSC: None.

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

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

Newly Issued/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undetermined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

   The amendments are described below:

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

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

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

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

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

the reporting period should also be disclosed, as should the cumulative gain or loss on investments derecognized during the reporting period that were transferred to equity during the reporting period.

2. Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

   This amendment describes separately the contracts where the enterprise is involved in generating electricity on the basis that the source of generation depends on uncontrollable natural conditions (e.g. weather) as follows:

   (1) Clarify the application of requirements regarding "self-use" by enterprises for their contracts for purchasing or sale of natural electricity:

   When a contract obligates an enterprise to purchase and receive electricity at the time of generation and the design and operation of the contracted electricity trading market requires the enterprise to sell any amount of unused electricity within a specified period of time, the enterprise shall take into account reasonable and supported information about its past, current, and expected future electricity transactions within a reasonable period of time not to exceed twelve months. An enterprise becomes a net purchaser of electricity when it purchases sufficient electricity to offset any unused power sold in the same market in which it sells electricity. Contracts involving natural electricity for self-consumption are required by the new amendments to be disclosed:

   A. The risk that the enterprise may face changes in base electricity and that the enterprise may be required to purchase electricity during delivery intervals when electricity is unavailable,

   B. Unrecognized contractual commitments, including the expected future cash flows from electricity purchases under these contracts, and

   C. The impact of the contracts on the financial performance of the enterprise during the reporting period.

   (2) Determine how the designation of contracts involving natural electricity as hedging instruments enables the application of hedge accounting:

   Hedged item may be designated as a projected electricity transaction for a variable notional amount that corresponds to the variable amount of natural electricity expected to be delivered by the generation facility referred to in the hedging instrument. Also when the cash flow enterprise of the hedging instrument is in a cash flow hedging relationship, when the designation of a contract involving natural electricity as a hedging instrument is conditional on the occurrence of a specified forecasted transaction, it is presumed to be highly probable that the forecasted transaction will occur.

For companies that designate contracts involving natural electricity as hedging instruments, the terms and conditions shall be disclosed by risk category in accordance with IFRS 7.

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

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

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

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

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

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

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

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

6. Annual Improvements to IFRS Accounting Standards—Volume 11

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

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

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

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

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

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

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

   Amend IFRS 7 paragraph IG20B to simplify its wording.

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

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

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

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

(7) Transaction price (Amendments to IFRS 9)

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

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

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

(9) Cost method (Amendments to IFRS 7)

Replace the term "cost method" with "at cost".

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

4. Summary of Significant Accounting Policies

Except for the Statement of Compliance, Basis of Preparation, Basis of Consolidation and newly added sections described as followings, the rest of significant accounting policies are the same as those in Note 4 of the 2024 annual consolidated financial statements. These policies have been consistently applied to all of the reporting periods unless otherwise stated.

4.1 Statement of Compliance

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

2. These interim Consolidated Financial Statements shall be read in combination with the 2024 annual consolidated financial statements.

4.2 Basis of Preparation

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

4.3 Basis of Consolidation

1. Principles for preparing the Consolidated Financial Statements

   The principles for preparing the Consolidated Financial Statements are the same as those of the 2024 annual consolidated financial statements. Please refer to Note 4.3-1 of the 2024 annual consolidated financial statements.

2. The subsidiaries in the consolidated financial statements:

Investor	Subsidiaries	Main Businesses	Percentage of Ownership		
			2025.3.31.	2024.12.31.	2024.3.31.
Zig Sheng Industrial Co., Ltd.	Nicest Int'L Trading Corp.	According to instructions by management policies of the parent company, conduct investments in various businesses other than Taiwan region	100%	100%	100%
Zig Sheng Industrial Co., Ltd.	Ding Sheng Material Technology Corporation Limited	Manufacture of synthetic resin and industrial plastic and the related international trading	100%	100%	100%
Nicest Int'L Trading Corp.	Suzhou Hongsheng Trading Co., Ltd.	Engage in wholesale, export/import, commission agent (except for auctions) of plastic materials, chemical products (except for hazardous chemicals), chemical fiber products, textile materials, mechanical and electrical equipment and parts, and the related auxiliary services, technical consulting services, and also provision of on-site repairment services for the mechanical and electrical equipment and parts	100%	100%	100%
Ding Sheng Material Technology Corporation Limited	Ding Sheng Material Technology Corporation (Note)	General import/export trading	100%	100%	100%

Since all of the subsidiaries included in the Consolidated Financial Statements do not meet the definition of material subsidiary, all financial statements of the subsidiaries for the three months ended March 31, 2025 and 2024 were not reviewed by CPA.

Note: The Group resolved to dissolve and liquidate Ding Sheng Material Technology Corporation by the Board of Directors on November 3, 2023, based on its overall long-term business planning. The application forms for the dissolution and liquidation have been submitted by the end of December, 2024.

3. Increase or decrease in consolidation subsidiaries: None.
4. Subsidiaries not included in the consolidated financial statements

   As of March 31, 2025, December 31, 2024 and March 31, 2024, the total assets, total liability and total equity of the Group’s invested subsidiary, ZIS Holding Co., Ltd., were all zero, and the subsidiary did not have any income, expenses or losses during the above periods. Therefore, the subsidiary is not included as a component entity in the Consolidated Financial Statements.
5. Adjustments and treatments for subsidiaries with different accounting period: None.
6. Nature and degree of significant restrictions on the ability to transfer funds from subsidiaries to the parent company:

Due to local foreign exchange controls, the cash and bank deposits in Mainland China by the amount of $17,959 thousand, $19,083 thousand and $15,852 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, were restricted from transferring out of Mainland China (except for normal dividends or business transactions (trading)).

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

4.4 Defined benefit post-employment benefits

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

4.5 Income tax

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

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

The major sources of critical accounting judgments, estimates and uncertainties adopted by the Consolidated Financial Statements do not have material change from those of the 2024 annual consolidated financial statements. Please refer to Note 5 of the 2024 annual consolidated financial statements for related information.

6. Description of Significant Accounts

6.1 Cash and cash equivalents

Item	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	$ 1, 175	$ 1, 233	$ 1, 245
Checking account	65, 730	69, 306	18, 904
Demand deposits	56, 500	62, 899	29, 217
Time deposits with original maturities within 3 months	9, 778	6, 680	8, 766
Total	$ 133, 183	$ 140, 118	$ 58, 132

1. The Group does not have cash and cash equivalents pledged to others.

2. As of March 31, 2025, December 31, 2024 and March 31, 2024, the range of market interest rates for the Group's time deposits with original maturities within 3 months were 1.2%, 1.2% and 1.55% ~ 1.755%.

6.2 Financial assets at FVTPL - current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at FVTPL			
Listed (OTC) and emerging stocks	$ 952, 329	$ 961, 158	$ 710, 258
Derivatives – FX Swap Contract	68	–	–
Total	$ 952, 397	$ 961, 158	$ 710, 258

1. Regarding details for the financial assets mandatorily measured at FVTPL (not including derivative instruments), please refer to Note 13.1, 13.2-3.
2. The net (loss) gain (not including derivative instruments) recorded in profit or loss for the three months ended March 31, 2025 and 2024 were ($34,336) thousand and $36,474 thousand, respectively.
3. The purpose for the Group to engage in transactions in derivative instruments is to avoid risks on foreign-currency assets or liabilities due to exchange rate fluctuations, however, without adopting hedge accounting. As of March 31, 2025, December 31, 2024 and March 31, 2024, the existing contract assets (liabilities) for the derivative instruments are as following:

Financial Instrument	Buy/Sell Currency	Contract Amount	Fair Value	Contract Period Until Expiration
(1) March 31, 2025:				
FX Swap Contract	USD/NTD	USD 680/NTD22,514	$ 68	2025. 3. 28. ～2025. 4. 1.
(2) December 31, 2024: None.				
(3) March 31, 2024: None.				

The recorded net gain (loss) for the three months ended March 31, 2025 and 2024 due to the Group's engagement in derivative instruments contractual transactions were $199 thousand and $6,593 thousand, respectively.

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

6.3 Notes receivable

Item	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 24, 955	$ 39, 748	$ 81, 944
Less: Loss allowance	–	–	–
Net amount	$ 24, 955	$ 39, 748	$ 81, 944

1. All of the Group's notes receivable are not overdue; the expected rate of credit loss is 0%.

2. The Group does not have notes receivable pledged to others.

6.4 Accounts receivable (including related parties)

Item	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	$ 933, 747	$ 1, 008, 834	$ 1, 352, 346
Less: Loss allowance	–	–	–
Subtotal	933, 747	1, 008, 834	1, 352, 346
Accounts receivable - related parties	–	15, 935	4, 285
Less: Loss allowance	–	–	–
Subtotal	–	15, 935	4, 285
Net amount	$ 933, 747	$ 1, 024, 769	$ 1, 356, 631

1. The loss allowances for accounts receivable (including related parties) measured according to the provision matrix are as following:

	March 31, 2025			December 31, 2024		
Aging	Total amount	Loss allowance	Net amount	Total amount	Loss allowance	Net amount
Not overdue	$ 933, 576	$ –	$ 933, 576	$1, 022, 939	$ –	$ 1, 022, 939
Overdue 1 ~ 30 days	171	–	171	1, 560	–	1, 560
Overdue 31 ~ 90 days	–	–	–	–	–	–
Overdue 91 ~ 180 days	–	–	–	270	–	270
Overdue 181 ~ 365 days	–	–	–	–	–	–
Overdue over 365 days	–	–	–	–	–	–
Total	$ 933, 747	$ –	$ 933, 747	$1, 024, 769	$ –	$ 1, 024, 769

	March 31, 2024		
Aging	Total amount	Loss allowance	Net amount
Not overdue	$1, 353, 606	$ –	$ 1, 353, 606
Overdue 1 ~ 30 days	–	–	–
Overdue 31 ~ 90 days	–	–	–
Overdue 91 ~ 180 days	3, 025	–	3, 025
Overdue 181 ~ 365 days	–	–	–
Overdue over 365 days	–	–	–
Total	$1, 356, 631	$ –	$ 1, 356, 631

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

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

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

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

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

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

6.5 Other receivables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Interest receivable	$ 34	$ 8	$ 155
Dividends receivable	–	–	9, 676
Tax refund receivable	25, 868	20, 191	10, 822
Discount and allowances receivable	301	80	–
Government grants receivable	200	420	350
Investment settlements receivable	–	–	105, 581
Others	8, 023	5, 304	2, 449
Total	$ 34, 426	$ 26, 003	$ 129, 033

6.6 Inventories

	March 31, 2025			December 31, 2024		
Item	Cost	Valuation allowance	Book value	Cost	Valuation allowance	Book value
Raw materials	$ 375, 612	$ 5, 826	$ 369, 786	$ 404, 157	$ 5, 826	$ 398, 331
Supplies	102, 282	2	102, 280	113, 213	2	113, 211
Work in process	116, 493	4, 113	112, 380	132, 147	4, 113	128, 034
Finished goods	1, 198, 595	100, 242	1, 098, 353	1, 251, 708	100, 242	1, 151, 466
Finished goods purchased from outside	49, 226	7, 689	41, 537	34, 789	7, 689	27, 100
In-transit raw materials	82, 164	–	82, 164	185, 637	–	185, 637
Total	$1, 924, 372	$ 117, 872	$1, 806, 500	$2, 121, 651	$ 117, 872	$2, 003, 779

	March 31, 2024		
Item	Cost	Valuation allowance	Book value
Raw materials	$ 414, 814	$ 6, 431	$ 408, 383
Supplies	111, 051	1	111, 050
Work in process	163, 565	1, 920	161, 645
Finished goods	1, 262, 280	107, 416	1, 154, 864
Finished goods purchased from outside	49, 705	6, 230	43, 475
In-transit raw materials	229, 152	–	229, 152
Total	$2, 230, 567	$ 121, 998	$2, 108, 569

1. Cost of goods sold and other operating costs:

Item	2025.1.1. ~ 3.31.	2024.1.1.~ 3.31.
Cost of goods sold	$ 1, 833, 517	$ 2, 102, 955
Plus: Outsourced processing costs	254	135
Plus: Unallocated labor and overheads	62, 345	62, 005
Plus: Loss on scrapping of inventories	193	1, 516
Plus: Loss on inventory counts, net	–	3
Less: Scrap sales	(10, 488)	(5, 862)
Operating costs recorded	$ 1, 885, 821	$ 2, 160, 752

2. The Group's operating costs for the three months ended March 31, 2025 and 2024 included net realizable value recovery of inventories of $0, mainly due to stable product prices and the disposal of slow-moving inventories.

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

6.7 Prepayments

Item	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for materials	$ 23, 572	$ 18, 638	$ 20, 239
Prepaid insurance	10, 184	1, 258	9, 880
Office supplies	293	281	243
Input VAT	–	16, 158	11, 947
Excess sales tax paid	2, 796	93	404
Others	3, 008	2, 966	5, 307
Total	$ 39, 853	$ 39, 394	$ 48, 020

6.8 Other current assets - other

Item	March 31, 2025	December 31, 2024	March 31, 2024
Material lending to counterparties	$ –	$ –	$ 6, 154

Due to production scheduling needs, the Group's industry peers borrowed raw materials from the Group and signed a borrowing agreement, which stipulates that the raw materials will be returned after the imported goods arrive.

6.9 FVTOCI financial assets – noncurrent

Item	March 31, 2025	December 31, 2024	March 31, 2024
Domestic non-listed (OTC) stocks			
Lilyent Corp.	$ 28, 812	$ 28, 812	$ 28, 812
Yen Hsing Textile Co., Ltd.	51, 670	51, 670	51, 670
Yi Tong Fiber Co., Ltd.	13, 093	13, 093	13, 093
Chu Sing Industrial Co., Ltd.	700	700	700
Ability Asia Capital Corp.	16, 000	16, 000	16, 000
Domestic limited partnership			
Ability Asia Capital II Outstanding Transformation Growth Limited Partnership	19, 726	16, 616	20, 480
Subtotal	130, 001	126, 891	130, 755
Plus: Valuation adjustment	49, 623	48, 675	50, 678
Net amount	$ 179, 624	$ 175, 566	$ 181, 433

1. The Group’s investments in the above domestic unlisted stocks are not held for short-term profit. The management thinks that if fluctuations in short-term fair value of such investments are recorded in profit or loss, the accounting treatment would not be consistent with the investment planning. Therefore, it is determined that these investments are designated as measured at FVTOCI.
2. On March 6, 2025, Ability Asia Capital II Outstanding Transformation Growth Limited Partnership made $890 thousand of capital distribution under the contractual agreement; In addition, the Group's additional investment during the three months ended March 31, 2025 and for the year ended, 2024 were both $4, 000 thousand, and the estimated total investment amount is $40, 000 thousand, which accounts for 1.58% of the total raised amount.
3. The Group’s investments in structural individual entities are limited partnership equity interests in nature, therefore, there was no transaction quantity or unit transaction price. In addition, the Group only bears the rights and obligations to the extent of the scope of investment contracts and does not have significant influence over those investments. Therefore, the largest risk exposure amounts as of the balance sheet date were the book value of those investments.
4. For the three months ended March 31, 2025 and 2024, the net gain (loss) due to fair-value fluctuations and recorded in other comprehensive income was $948 thousand and ($3, 393) thousand, respectively, and accumulated in other equity; In addition, the amount directly transferred to retained earnings from accumulated profit or loss from disposal of investments were both $0, respectively.

5. None of the Group’s held FVTOCI financial assets - noncurrent is offered as collateral or pledged to others.

6.10 Investments accounted for using the equity method

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

Subsidiaries	March 31, 2025		December 31, 2024		March 31, 2024	
	Book value	Holding %	Book value	Holding %	Book value	Holding %
ZIS Holding Co., Ltd.	$ –	100%	$ –	100%	$ –	100%

2. ZIS Holding Co., Ltd. is the Group’s 100% foreign investee company. The Group invested 5, 400 thousand shares of the company at USD1.00 per share, totaled USD5, 400 thousand. The investment had been approved by the Investment Commission, MOEA with Jing-Shen-Er-Zi No. 091018941 Letter on August 1, 2002.
3. None of investments under equity method held by the Group were pledged to others.
4. Regarding the business nature, main operating locations, country of business registration of the above subsidiaries and their investments in Mainland China, please refer to Note 13.1, 13.2-6.
5. The Group’s invested subsidiary, ZIS Holding Co., Ltd., mainly conducts investments in various businesses other than Taiwan region according to instructions by management policies of the parent company. As of March 31, 2025, December 31, 2024 and March 31, 2024, the total assets, total liability and total equity of the Group’s invested subsidiary, ZIS Holding Co., Ltd., were all zero, and the subsidiary did not have any income, expenses or losses during the above periods. Therefore, the subsidiary is not included as a component entity in the Consolidated Financial Statements.

6.11 Property, plant and equipment

Item	March 31, 2025	December 31, 2024	March 31, 2024
Land	$ 1, 763, 955	$ 1, 786, 837	$ 1, 786, 837
Buildings	3, 021, 960	3, 020, 400	3, 007, 839
Machinery	9, 175, 196	9, 169, 450	9, 163, 610
Transportation equipment	81, 954	82, 004	81, 334
Other equipment	355, 122	354, 592	354, 399
Equipment to be inspected and construction in progress	571, 019	566, 975	506, 628
Total cost	14, 969, 206	14, 980, 258	14, 900, 647
Less: Accumulated depreciation	(10, 466, 233)	(10, 392, 651)	(10, 178, 837)
Less: Accumulated impairment	–	–	–
Net amount	$ 4, 502, 973	$ 4, 587, 607	$ 4, 721, 810

Item	Land	Buildings	Machinery	Transportation equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:							
2025.1.1. Balance	$1, 786, 837	$3, 020, 400	$9, 169, 450	$ 82, 004	$ 354, 592	$ 566, 975	$14, 980, 258
Additions	–	–	427	–	–	8, 665	9, 092
Disposals	–	–	(653)	–	(43)	–	(696)
Reclassification (Note)	(22, 882)	1, 560	5, 972	(50)	573	(4, 621)	(19, 448)
2025.3.31. Balance	$1, 763, 955	$3, 021, 960	$9, 175, 196	$ 81, 954	$ 355, 122	$ 571, 019	$14, 969, 206
Accumulated depreciation and impairment:							
2025.1.1. Balance	$ –	$1, 889, 010	$8, 186, 543	$ 77, 817	$ 239, 281	$ –	$10, 392, 651
Depreciation expense	–	21, 275	49, 713	331	2, 959	–	74, 278
Disposals	–	–	(653)	–	(43)	–	(696)
Reclassification	–	–	–	–	–	–	–
2025.3.31. Balance	$ –	$1, 910, 285	$8, 235, 603	$ 78, 148	$ 242, 197	$ –	$10, 466, 233

Item	Land	Buildings	Machinery	Transportation equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:							
2024.1.1. Balance	$1, 786, 837	$3, 001, 510	$9, 128, 307	$ 80, 884	$ 353, 320	$ 502, 155	$14, 853, 013
Additions	–	350	3, 888	450	1, 084	39, 892	45, 664
Disposals	–	–	–	–	(5)	–	(5)
Reclassification (Note)	–	5, 979	31, 415	–	–	(35, 419)	1, 975
2024.3.31. Balance	$1, 786, 837	$3, 007, 839	$9, 163, 610	$ 81, 334	$ 354, 399	$ 506, 628	$14, 900, 647
Accumulated depreciation and impairment:							
2024.1.1. Balance	$ –	$1, 801, 983	$7, 990, 020	$ 76, 920	$ 226, 562	$ –	$10, 095, 485
Depreciation expense	–	22, 019	57, 147	447	3, 744	–	83, 357
Disposals	–	–	–	–	(5)	–	(5)
Reclassification	–	–	–	–	–	–	–
2024.3.31. Balance	$ –	$1, 824, 002	$8, 047, 167	$ 77, 367	$ 230, 301	$ –	$10, 178, 837

Note: The net increase of reclassifications for the three months ended March 31, 2025 and 2024 were transferred from inventories in the amount of $0 thousand and $665 thousand, respectively; from prepayments for equipment in the amount of $3,631 thousand and $1, 310 thousand, respectively; from refund of commodity tax in the amount of $50 thousand and $0 thousand, respectively; to repair and maintenance expense in the amount of $147 thousand and $0 thousand, respectively; to investment properties in the amount of $22,882 thousand and $0 thousand, respectively

1. The Group's property, plant and equipment are mainly for self-use.
2. Additions in this period include non-cash items. Its reconciliations with the acquisition of investment properties on the statements of cash flows are as follows:

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Increase in property, plant and equipment (Note)	$ 9, 042	$ 45, 664
Decrease (increase) in payables for equipment	7, 421	(16, 007)
Cash payment	$ 16, 463	$ 29, 657

Note: Include deduction of $50 thousand commodity tax.

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

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Capitalized amount	$ 1, 923	$ 1, 604
Range of interest rates of capitalization	2. 02%	1. 86%

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

(1) Buildings

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

(2) Machinery equipment

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

(3) Transportation equipment

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

(4) Other equipment

Office equipment	3～21 years	Others	7～25 years

5. Since part of the Group's machinery could not be utilized to its full capacity, the expected future cash flows from the manufacturing machinery are reduced, which led to its recoverable amount smaller than its book value. After careful assessment by the Group, as of March 31, 2025, December 31, 2024 and March 31, 2024, the Group

recorded $0 thousand of accumulated impairment loss on property, plant and equipment for all the periods.

6. Information on property, plant and equipment pledged to others, please refer to Note 8 for details.

6.12 Leases

1. Right-of-use assets

Item	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	$ 82, 774	$ 81, 736	$ 80, 587
Machinery equipment	94, 717	94, 717	93, 816
Total cost	177, 491	176, 453	174, 403
Less: Accumulated depreciation	(80, 546)	(77, 189)	(67, 300)
Less: Accumulated impairment	–	–	–
Net amount	$ 96, 945	$ 99, 264	$ 107, 103

Item	Buildings	Machinery equipment	Total
Cost:			
2025.1.1. Balance	$ 81, 736	$ 94, 717	$ 176, 453
Addition/Remeasurement	964	–	964
Disposal/Write-offs	–	–	–
Foreign exchange effect	74	–	74
2025.3.31. Balance	$ 82, 774	$ 94, 717	$ 177, 491
Accumulated depreciation and impairment:			
2025.1.1. Balance	$ 36, 164	$ 41, 025	$ 77, 189
Depreciation expense	1, 633	1, 661	3, 294
Disposal/Write-offs	–	–	–
Foreign exchange effect	63	–	63
2025.3.31. Balance	$ 37, 860	$ 42, 686	$ 80, 546

Item	Buildings	Machinery equipment	Total
Cost:			
2024.1.1. Balance	$ 80, 532	$ 93, 816	$ 174, 348
Addition/Remeasurement	–	–	–
Disposal/Write-offs	–	–	–
Foreign exchange effect	55	–	55
2024.3.31. Balance	$ 80, 587	$ 93, 816	$ 174, 403
Accumulated depreciation and impairment:			
2024.1.1. Balance	$ 29, 596	$ 34, 409	$ 64, 005
Depreciation expense	1, 615	1, 635	3, 250
Disposal/Write-offs	–	–	–
Foreign exchange effect	45	–	45
2024.3.31. Balance	$ 31, 256	$ 36, 044	$ 67, 300

2. Lease liabilities

Item	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	$ 14, 200	$ 12, 764	$ 12, 484
Noncurrent	$ 87, 739	$ 90, 035	$ 97, 652

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

Item	Expected lease period (including renewal rights)	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	3～15 years	0.62%～1.42%	0.62%～1.61%	0.62%～1.61%
Machinery equipment	10 years	2.07%	2.07%	2.07%

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Within 1 year	$ 15, 898	$ 14, 500	$ 14, 354
Over 1 year but within 5 years	52, 124	51, 588	51, 180
Over 5 years but within 10 years	41, 606	44, 830	54, 074
Over 10 years but within 15 years	–	–	–
Over 15 years but within 20 years	–	–	–
Over 20 years	–	–	–
Undiscounted total lease payments	$ 109, 628	$ 110, 918	$ 119, 608

3. Material leasing activities and terms

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

(2) Option to extend leases

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

4. Sublease: None.

5. Other relevant information on leases

For the three months ended March 31, 2025 and 2024, based on the operating lease contracts, the Group recorded rental income of $19,794 thousand and $16,590 thousand, respectively, none of which was gain from variable lease payments.

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

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

Item	2025.1.1.~ 3.31.	2024.1.1.~ 3.31.
Short-term lease expense	$ －	$ －
Low-value-assets lease expense	－	－
Expense on variable lease payments	－	－
Total	$ －	$ －
Interest expense on lease liabilities	$ 447	$ 493
Gain (loss) generated from sale and leaseback transactions	$ －	$ －
Gain (loss) generated from amendment of lease transactions	$ －	$ －

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

(2) For the three months ended March 31, 2025 and 2024, the total cash outflows were $2,282 thousand and $3,538 thousand, respectively.

(3) After careful assessment on the right-of-use assets, none of right-of-use assets were impaired.

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

6.13 Investment properties

Item	March 31, 2025	December 31, 2024	March 31, 2024
Land	$ 606, 311	$ 583, 429	$ 583, 429
Land improvements	777, 750	437, 069	432, 779
Investment properties under construction	96	342, 307	238, 565
Subtotal	1, 384, 157	1, 362, 805	1, 254, 773
Less: Accumulated depreciation	(383, 586)	(380, 247)	(374, 917)
Less: Accumulated impairment	−	−	−
Net amount	$ 1, 000, 571	$ 982, 558	$ 879, 856

Item	Land	Land improvements	Investment properties under construction	Total
Cost:				
2025.1.1. Balance	$ 583, 429	$ 437, 069	$ 342, 307	$1, 362, 805
Additions	−	26, 440	96	26, 536
Disposals	−	−	−	−
Reclassification	22, 882	314, 241	(342, 307)	(5, 184)
2025.3.31. Balance	$ 606, 311	$ 777, 750	$ 96	$1, 384, 157
Accumulated depreciation and impairment:				
2025.1.1. Balance	$ −	$ 380, 247	$ −	$ 380, 247
Depreciation expense	−	3, 339	−	3, 339
Disposals	−	−	−	−
Reclassification	−	−	−	−
2025.3.31. Balance	$ −	$ 383, 586	$ −	$ 383, 586

Item	Land	Land improvements	Investment properties under construction	Total
Cost:				
2024.1.1. Balance	$ 583, 429	$ 429, 483	$ 190, 859	$1, 203, 771
Additions	–	(1, 380)	52, 382	51, 002
Disposals	–	–	–	–
Reclassification	–	4, 676	(4, 676)	–
2024.3.31. Balance	$ 583, 429	$ 432, 779	$ 238, 565	$1, 254, 773
Accumulated depreciation and impairment:				
2024.1.1. Balance	$ –	$ 373, 280	$ –	$ 373, 280
Depreciation expense	–	1, 637	–	1, 637
Disposals	–	–	–	–
Reclassification	–	–	–	–
2024.3.31. Balance	$ –	$ 374, 917	$ –	$ 374, 917

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

Item	2025.1.1.~ 3.31.	2024.1.1.~ 3.31.
Addition of investment properties	$ 26, 536	$ 51, 002
Decrease (increase) in investment properties payables	(22, 638)	2, 066
Cash payment	$ 3, 898	$ 53, 068

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

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Capitalized amount	$ –	$ 881
Range of interest rates of capitalization	–	1. 86%

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

Item	2025.1.1.~ 3.31.	2024.1.1.~ 3.31.
Rental income from investment properties	$ 19, 717	$ 16, 527
Direct operating expenses arising from the investment properties that generated rental income during the period	$ 5, 414	$ 3, 597
Direct operating expenses arising from the investment properties that did not generate rental income during the period	$ –	$ –

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

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
1st year	$ 66, 468	$ 66, 468	$ 66, 468
2nd year	66, 512	66, 468	66, 468
3rd year	66, 996	66, 908	66, 512
4th year	27, 396	39, 276	66, 996
5th year	19, 461	19, 446	27, 396
Over 5 years	161, 290	166, 174	180, 751
Total	$ 408, 123	$ 424, 740	$ 474, 591

6.14 Intangible assets

Item	March 31, 2025	December 31, 2024	March 31, 2024
Cost of computer software	$ 7, 185	$ 9, 540	$ 8, 146
Less: Accumulated amortization	(4, 674)	(6, 446)	(4, 522)
Less: Accumulated impairment	–	–	–
Net amount	$ 2, 511	$ 3, 094	$ 3, 624

Item	2025.1.1.~ 3.31.	2024.1.1.~ 3.31.
Cost of computer software:		
Beginning balance	$ 9, 540	$ 8, 715
Addition – from individual	–	–
Disposal / Write-off	(2, 355)	(569)
Reclassification	–	–
Ending balance	$ 7, 185	$ 8, 146
Accumulated depreciation and impairment:		
Beginning balance	$ 6, 446	$ 4, 414
Amortization expense	583	677
Disposal / Write-off	(2, 355)	(569)
Reclassification	–	–
Ending balance	$ 4, 674	$ 4, 522

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

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

6.15 Refundable deposits

Item	March 31, 2025	December 31, 2024	March 31, 2024
Rental deposits – lessee	$ 274	$ 272	$ 262
Deposits for natural gas	10, 216	10, 216	17, 506
Membership deposits	500	500	500
Others	562	113	329
Total	$ 11, 552	$ 11, 101	$ 18, 597

6.16 Other noncurrent assets – other

Item	March 31, 2025	December 31, 2024	March 31, 2024
Long-term prepaid expenses	$ 2, 026	$ 2, 270	$ 1, 123
Leased property	27, 990	–	–
Pallets	48, 251	48, 933	48, 128
Total	$ 78, 267	$ 51, 203	$ 49, 251

6.17 Short-term borrowings

Item	March 31, 2025	December 31, 2024	March 31, 2024
Credit borrowings	$ 715, 000	$ 1, 285, 000	$ 1, 100, 000
Interest rates	1. 935%～1. 953%	1. 905%～1. 952%	1. 76%～1. 94%

The Group has entered into short-term comprehensive credit facility agreements with various banks and provided promissory notes as a commitment to repay the loans.

6.18 Short-term notes and bills payable

Item	March 31, 2025	December 31, 2024	March 31, 2024
Commercial papers payable	$ 600, 000	$ –	$ 850, 000
Less: Unamortized discount	(251)	–	(336)
Net amount	$ 599, 749	$ –	$ 849, 664
Interest rates	1. 67%～1. 77%	–	1. 38%～1. 63%

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

6.19 Notes and accounts payable

The recorded notes and accounts payable are mainly incurred from operations. The Group has financial risk management policies in place to ensure that all payables are repaid within the pre-agreed credit terms.

6.20 Other payables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Payroll and bonus payable	$ 70, 363	$ 117, 575	$ 68, 769
Employees compensation	–	–	1, 753
Compensation payable to directors and supervisors	–	–	2, 629
Interest payable	1, 072	1, 268	2, 109
Insurance payable	16, 804	16, 190	16, 196
Transportation fees payable	5, 314	7, 775	5, 838
Utilities payable	48, 289	50, 557	43, 011
Export fees payable	12, 419	15, 338	10, 076
Processing outsourcing fees payable	254	16	240
Professional service fees payable	850	1, 452	1, 270
Taxes payable	13, 221	7, 174	13, 062
Payables for equipment	6, 827	14, 248	39, 194
Investment properties payable	27, 118	4, 480	32, 670
Investment proceeds payable	–	2, 989	–
Others	25, 854	25, 705	26, 402
Total	$ 228, 385	$ 264, 767	$ 263, 219

6.21 Provisions – current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Employee benefits – paid leaves	$ 33, 085	$ 32, 449	$ 30, 907
Carbon tax	1, 295	–	–
	$ 34, 380	$ 32, 449	$ 30, 907

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

2. Movements in provisions – current:

Item	Employee benefits		Carbon tax		Total	
2025.1.1. Balance	$	32, 449	$	–	$	32, 449
Provisions incurred in the period		7, 952		1, 295		9, 247
Provisions used in the period	(	5, 624)		–	(	5, 624)
Unused amount reversed in the period	(	1, 692)		–	(	1, 692)
2025.3.31. Balance	$	33, 085	$	1, 295	$	34, 380

Item	Employee benefits		Carbon tax		Total	
2024.1.1. Balance	$	28, 988	$	–	$	28, 988
Provisions incurred in the period		7, 352		–		7, 352
Provisions used in the period	(	5, 433)		–	(	5, 433)
Unused amount reversed in the period		–		–		–
2024.3.31. Balance	$	30, 907	$	–	$	30, 907

3. Carbon tax

As of March 31, 2025, the Company's voluntary reduction plan has not yet been approved by the competent authority. The Company will actively cooperate with the competent authority and expects to obtain a preferential rate. Therefore, provisions for carbon fees are recorded based on the preferential rate of the carbon fee.

6.22 Other current liabilities – other

Item	March 31, 2025		December 31, 2024		March 31, 2024	
Receipts under custody	$	1, 189	$	1, 722	$	1, 335
Others		9		9		–
Total	$	1, 198	$	1, 731	$	1, 335

6.23 Long-term borrowings (including long-term liabilities due within one year)

Item	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowings	$ 2, 000, 000	$ 2, 000, 000	$ 1, 200, 000
Credit borrowings	153, 000	153, 000	48, 000
Subtotal	2, 153, 000	2, 153, 000	1, 248, 000
Less: Portion due within one year	(2, 667)	-	(360, 000)
Total	$ 2, 150, 333	$ 2, 153, 000	$ 888, 000

1. Information on long-term borrowings is as follows:

(1) The credit period of the secured loan is 3 years, and the borrowing amount is $2 billion, which is not available for revolving use. Interest is payable monthly after the appropriation, and 30% of the remaining balance of the principal is repayable from the contract date to the maturity date of the second year, with the remaining principal due in December, 2027. The credit facility is secured by a pledge of the Group's own land, building and construction, and the average balance of demand deposits in the bank granting the credit facility should meet the terms of the loan condition. As of March 31, 2025, the Group has received full amount of the borrowing under this credit facility with the effective annual interest rate range of 2.1%.

(2) The credit period of the credit loan contract is 5 years, with a loan amount of 300 million, which cannot be used on a revolving basis. Interest is paid monthly after the funds are allocated. The first two years of the principal amount is a grace period, and starting from the third year, the principal will be repaid in 36, 29, and 26 equal monthly installments, respectively. As of March 31, 2025, the effective annual interest rate range is 1.8062%.

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

3. The maturity analysis of the Group's long-term borrowings is described in Note 12.3-3-(3).

6.24 Pension benefit plans

Item	March 31, 2025	December 31, 2024	March 31, 2024
Defined benefit plan	$ 30, 636	$ 34, 885	$ 39, 001
Defined contribution plan	5, 521	5, 434	5, 479
Total	$ 36, 157	$ 40, 319	$ 44, 480

1. Defined benefit plan

(1) The Company of the Group have a defined benefit pension plan in accordance with the "Labor Standards Act", which applies to service years of all full-time employees prior to the effective date of "Labor Pension Act" on July 1, 2005 and to the subsequent service years of the employees who chose to continue to adopt Labor Standards Act after the effective of "Labor Pension Act". Pension benefits are based on the number of units accrued (within 15 service years, 2 units are given for each year; 1 unit is given for each year over 15 service years, and the overall accrued units is limited to 45) and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2.5% of the employees' monthly salaries and wages to the pension fund deposited in Bank of Taiwan, the trustee, under the name of the independent pension fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of each year. If the account balance is not enough to pay the pension to the labors expected to be qualified for retirement in the following year, the Company will make contribution for the deficit by next March.

(2) Since there was no significant market fluctuation, shrinkage, repayment or other significant one-time event after the ending date of the previous financial year, the Company measures and discloses the pension cost for the interim periods using the pension cost determined by actuary as of December 31, 2024 and 2023. Please refer to Note 6.25-1 of the 2024 annual consolidated financial statements for details.

(3) The net amounts of defined benefit cost under the above defined benefit plan recognized in profit or loss for the three months ended March 31, 2025 and 2024 are $139 thousand and $160 thousand, respectively.

2. Defined contribution plan

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

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

(3) The pension costs under the above defined contribution plan recognized in profit or loss are $8,267 thousand and $8,235 thousand, respectively.

6.25 Guarantee deposits received

Item	March 31, 2025	December 31, 2024	March 31, 2024
Rental deposits – rent out	$ 16, 560	$ 18, 306	$ 16, 560
Others	3, 560	1, 378	700
Total	$ 20, 120	$ 19, 684	$ 17, 260

6.26 Share capital

Item	March 31, 2025	December 31, 2024	March 31, 2024
Authorized number of shares (thousands of shares)	800, 000	800, 000	800, 000
Authorized capital	$ 8, 000, 000	$ 8, 000, 000	$ 8, 000, 000
Issued shares with proceeds fully received (thousands of shares)	531, 688	531, 688	531, 688
Raised capital	$ 5, 316, 884	$ 5, 316, 884	$ 5, 316, 884

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

6.27 Capital surplus

Item	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	$ 157, 149	$ 157, 149	$ 157, 149
Surplus from treasury stock transactions	188, 021	188, 021	188, 021
Uncollected overdue dividends by shareholders	1, 376	1, 376	1, 173
Total	$ 346, 546	$ 346, 546	$ 346, 343

Capital surplus may not be used except to offset a deficit. Unless when profit surplus is insufficient to offset loss, a company shall not replenish with capital surplus. According to Article 241 of Company Act and No. 10300532520 Letter, dated March 31, 2014, issued by the Ministry of Economic Affairs, in addition to offsetting against accumulated loss, when a company does not have accumulated loss, the capital surplus from additional paid-in capital in excess of par during stock issuance and from gifts received may be distributed to shareholders in form of new shares or cash according to their respective shareholding ratios. And according to the Securities and Exchange Act, when reinvest the above capital surplus as additional capital, the total amount is limited to 10% of the received capital.

6.28 Retained earnings

1. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.
2. The Company's dividend policy is as following:
   The Company shall consider changes in business environment, considers future operating funds required from life cycles of various products and services and the effects of tax rules, in the goal of sustaining stable dividend distributions, dividends are distributed according to the set ratios under the Company's Articles of

Incorporation. After measuring the required funds in future years, profitability, financial structure, and dilution effects on shares, and other factors, the Board of Directors develops an appropriate ratio of dividends in cash and in stocks and submits for approval at the shareholders' meeting. The Company would distribute cash dividends as priority. If there are major investment plans or needs for improving financial structure, part of dividends would be distributed in stocks. In order to avoid over-inflation of share capital and affect the level of dividend distribution in future years, 0%~60% of the Company's distributable current-year earnings are appropriated as dividends.

3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is limited to the portion in excess of 25% of the Company's paid-in capital.
4. Upon earnings distribution, in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021 and regulations under "Q&A on Recording Special Reserve, after adopting IFRSs", the Company shall set aside or reverse special reserve. When the net deduction item on other equity later is reversed, the reversed amount could be included in the distributable earnings.
5. The appropriations of 2024 and 2023 earnings have been approved by the board of directors and the shareholders' meetings on March 7, 2025 and June 6, 2024, respectively. The appropriations and dividends per share were as follows:

Distribution item	Appropriation of Earnings		Dividends Per Share(NT$)	
	For Fiscal Year 2024	For Fiscal Year 2023	For Fiscal Year 2024	For Fiscal Year 2023
Set aside legal reserve	$ −	$ −	$ −	$ −
Set aside (reverse) special reserve	−	−	−	−
Shareholder dividends - cash	−	−	−	−
Shareholder dividends - stocks	−	−	−	−

In addition, the Company resolved at its shareholders' meeting on June 6, 2024 not to distribute dividends.

The 2024 surplus distribution plan and cash distribution from capital surplus are subject to approval at the annual general meeting of shareholders to be held on June 10, 2025.

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

6.29 Other equity item

Item	Exchange differences from translation of foreign operations	Unrealized gains or losses for financial assets measured at FVTOCI	Total
2025.1.1. Balance	($ 234)	$ 48, 675	$ 48, 441
Directly Recognized as other equity adjustment items	496	948	1, 444
Transferred to profit or loss item	–	–	–
Transferred to retained earnings	–	–	–
Shares recognized under equity method	–	–	–
Income tax related to other equity items	–	–	–
2025.3.31. Balance	$ 262	$ 49, 623	$ 49, 885

Item	Exchange differences from translation of foreign operations	Unrealized gains or losses for financial assets measured at FVTOCI	Total
2024.1.1. Balance	($ 967)	$ 54, 071	$ 53, 104
Directly Recognized as other equity adjustment items	376	(3, 393)	(3, 017)
Transferred to profit or loss item	–	–	–
Transferred to retained earnings	–	–	–
Shares recognized under equity method	–	–	–
Income tax related to other equity items	–	–	–
2024.3.31. Balance	($ 591)	$ 50, 678	$ 50, 087

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

6.30 Operating revenue

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Revenue from contracts with customers		
Sales revenue	$ 1, 859, 415	$ 2, 243, 424
Service revenue	402	193
Total	$ 1, 859, 817	$ 2, 243, 617

1. Breakdown of revenue from contracts with customers

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

Major types of goods and services	2025.1.1.~3.31.	2024.1.1.~3.31.
Sales revenue		
Textured yarn	$ 673, 792	$ 664, 128
Polyester yarn	1, 131	3, 030
Nylon fiber	192, 509	220, 319
Nylon chips	825, 496	1, 179, 588
Compound materials	126, 748	163, 562
Hallow fiber membranes	2, 768	5, 035
Trading of raw materials	1, 568	1, 058
Trial income	35, 403	6, 704
Subtotal	1, 859, 415	2, 243, 424
Service revenue		
Revenue from outsourced manufacturing	402	193
Subtotal	402	193
Total	$ 1, 859, 817	$ 2, 243, 617

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Contractual assets: None.			
Contractual liabilities – current			
Sale of goods	$ 18, 658	$ 28, 460	$ 37, 947

(1) Material changes in contractual assets and liabilities

As of March 31, 2025, the changes in the balance of contract liabilities compared to last year mainly come from timing difference when the contractual obligations are fulfilled and when the customers make the payment.

Changes in the balance of contract liabilities of the Group as of March 31, 2025 compared to those by the end of last year and to the comparable period last year mainly come from timing differences when the contractual obligations are fulfilled and when the customers make the payment.

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

Item	2025.1.1.~3.31.	2024.1.1.~3.31.

	2025.1.1.~3.31.	2024.1.1.~3.31.
Beginning balance of contractual liabilities that are recorded as revenue in this period		
Sale of goods	$ 20, 767	$ 23, 460

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

For the three months ended March 31, 2025 and 2024, the Group did not have contractual obligations that were fulfilled (or partly fulfilled) in the previous period. Nor there was any adjustment made to the recorded current-period revenue due to changes in the transaction prices or restrictions in recording variable consideration.

(4) Unfulfilled contracts with customers

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group does not have any unfulfilled sales contracts with customers, the expected remaining periods for the existing contracts are within one year and are expected to be fulfilled and recognized as revenue within one year.

2. Assets related to contractual costs: None.

6.31 Interest income

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Interest on bank deposits	$ 37	$ 49
Other interest income	–	176
Total	$ 37	$ 225

6.33 Other income

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Dividend income	$ 3, 304	$ 9, 676
Rental income	19, 794	16, 590
Income from scrap sales	2, 052	3, 108
Income from sample sales	1, 065	1, 105
Income from recovery of packaging materials	677	1, 268
Income from sale of renewable energy	1, 977	2, 995
Others	3, 573	377
Total	$ 32, 442	$ 35, 119

6.33 Other gains and losses

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Net gains (losses) on financial and assets and liabilities at FVTPL	($ 35, 119)	$ 69, 521
Gains (losses) on disposal of investments	851	(33, 047)
Net non-financial foreign currency exchange gains (losses)	7, 551	33, 963
Direct operating expenses of investment properties	(5, 847)	(3, 597)
Depreciation of renewable energy equipment	(1, 498)	(1, 497)
Others	(596)	(24)
Total	($ 34, 658)	$ 65, 319

6.34 Financial cost

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Interest expense		
Interest on borrowing from financial institutions	$ 17, 635	$ 13, 100
Imputed interest on deposits	80	66
Interest on lease liabilities	447	493
Less: Capitalized amount that meets the requirements (Note)	(1, 992)	(2, 568)
Subtotal	16, 170	11, 091
Fees related to issuing CP	108	137
Net financial foreign currency exchange (gains) losses	(1, 011)	(9, 025)
Total	$ 15, 267	$ 2, 203

Note: 1. The capitalized amount that meets the requirements for January to March 2025 included transfers to property, plant and equipment of $1,923 thousand and prepayments for equipment of $69 thousand.

2. The capitalized amount that meet the requirements for January to March 2024 included transfers to property, plant and equipment of $1,604 thousand, investment property of $881 thousand, and prepayments for equipment of $83 thousand.

6.35 Employee benefits, depreciation and amortization expense

By nature	2025.1.1.~ 3.31. Operating costs	Operating expenses	Total	2024.1.1.~ 3.31. Operating costs	Operating expenses	Total
Employee benefits						
Salary	$184, 979	$ 34, 223	$219, 202	$180, 247	$ 31, 141	$211, 388
Labor and health insurance	18, 748	4, 206	22, 954	17, 897	3, 955	21, 852
Pension expense	7, 029	1, 377	8, 406	7, 005	1, 390	8, 395
Other benefits	11, 625	1, 828	13, 453	5, 580	3, 826	9, 406
Depreciation expense (Note)	73, 489	2, 585	76, 074	82, 395	2, 715	85, 110
Amortization expense	8, 498	1, 013	9, 511	9, 081	562	9, 643
Total	$304, 368	$ 45, 232	$349, 600	$302, 205	$ 43, 589	$345, 794

Note: The depreciation expenses for renewable energy equipment (recorded in property, plant and equipment) for the three months ended March 31, 2025 and 2024 were $1,498 thousand and $1,497 thousand, respectively, and recorded as non-operating income and expenses – other; the depreciation expenses of investment properties for the three months ended March 31, 2025 and 2024 were $3,339 thousand and $1,637 thousand, and recorded as non-operating income and expenses – other (direct operating expenses for investment properties).

1. According to the Company's Articles of Incorporation, if the Company has profit in a year, it shall allocate 2% as employees' compensation and may allocate no more than 3% as remuneration for directors and supervisors. but if the Company has accumulated losses, the profit shall first reserve for offsetting losses.
2. Regarding estimation of the payable compensation to employees, directors and supervisors, based on profitability in the current year, along with considerations on the expected distribution amount, the upper and lower percentage limits under the Company's Articles of Incorporation and other factors, the Company's management estimates the compensation according to the current-period profit amount before deducting income tax, compensation to employees and directors' and supervisors' remuneration. For the three months ended March 31, 2025, the estimated amount of compensation to employees is $1,753 thousand and directors' and supervisors' remuneration is $2,629 thousand. For the three months ended March 31, 2024, since the Company had net loss before tax, therefore, no compensation to employees or directors' and supervisors' remuneration were estimated. However, before the issuance date of these financial statements and after resolution by the board of

directors, if there is material change in the distribution amount, the change would be adjusted in the current-year expense; if subsequently, the actual distribution amounts after the issuance date of these financial statements are different from the above amounts, the difference would be adjusted and treated as changes in accounting estimates in the next year.

3. On March 7, 2025 and March 8, 2024, the Company's board of directors had passed resolution not to distribute compensation to employees for 2024 and 2023. The aforementioned distribution amounts are not different from those estimated in 2024 and 2023 financial statements.
4. Information on employees' compensation and remuneration for directors and supervisors of the Company as resolved by the meeting of board of directors is available from the "Market Observation Post System" at the website of the TWSE.

6.36 Changes in liabilities from financing activities

Item	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Guarantee deposits received
January 1, 2025	$1, 285, 000	$ –	$2, 153, 000	$ 102, 799	$ 19, 684
Net changes in financing cash flows	(570, 000)	600, 000	–	(1, 835)	436
Noncash changes – lease additions/ remeasurement	–	–	–	964	–
Noncash changes - note discounts	–	(251)	–	–	–
Noncash changes - foreign exchange effect	–	–	–	11	–
March 31, 2025	$ 715, 000	$ 599, 749	$2, 153, 000	$ 101, 939	$ 20, 120

Item	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Lease liabilities	Guarantee deposits received
January 1, 2024	$ 910, 000	$ 579, 909	$1, 200, 000	$ 113, 171	$ 17, 410
Net changes in financing cash flows	190, 000	270, 000	48, 000	(3, 045)	(150)
Noncash changes - note discounts	–	(245)	–	–	–
Noncash changes - foreign exchange effect	–	–	–	10	–
March 31, 2024	$1, 100, 000	$ 849, 664	$1, 248, 000	$ 110, 136	$ 17, 260

6.37 Income tax

1. Components of income tax expense (benefit):

(1) Income tax expense recognized in profit or loss

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Current income tax	$ 119	$ 11
Deferred income tax expense (benefit)		
Initial occurrence and reversals of temporary differences	(21, 425)	9, 366
Net (increase) decrease in deferred income tax	(21, 425)	9, 366
Adjustments in respect of prior years	–	–
Income tax expense (benefit) recognized in profit or loss	($ 21, 306)	$ 9, 377

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

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

2. The Group's domestic income tax returns through 2022 had been assessed andapproved by the tax authority.

6.38 Earnings per share

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

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

	2025.1.1.~ 3.31.			2024.1.1.~ 3.31.		
	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)	After-tax amount	Weighted average number of shares outstanding for the period (in thousands)	Earnings (loss) per share (in dollars)
Basic earnings (loss) per share:						
Net income (loss) attributable to owners of parent company	(\$ 117, 847)	531, 688	(\$ 0. 22)	\$ 73, 857	531, 688	\$ 0. 14
Effects from potential dilutive common shares						
Employees' compensation	-	-		-	122	
Diluted earnings per share:						
Net income attributable to common shareholders of the parent company, plus effects from potential common shares	(\$ 117, 847)	531, 688	(\$ 0. 22)	\$ 73, 857	531, 810	\$ 0. 14

7. Related Party Transactions

7.1 Parent company and the ultimate controlling party

The Company is the ultimate controlling party of the Group.

7.2 Name of related party and relationship

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

7.3 Significant transactions with related parties

All significant transactions, account balances, revenue/gains and expenses/losses among the Company and subsidiaries (that is, the related parties of the Company) had been eliminated, therefore, not disclosed in these notes. Please refer to Note 13.1, 13.2-7 for the related-party transactions within the Group. The transactions between the Group and other related parties are as following:

1. Sales

Related party category	2025.1.1.~3.31.	2024.1.1.~3.31.
Company that key management has significant influence	\$ 6, 340	\$ 31, 173

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

2. Purchases

Related party category	2025.1.1.~3.31.	2024.1.1.~3.31.
Company that key management has significant influence	$ 62	$ 205

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

3. Lease agreements

(1) Right-of-use assets

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Su, Liao Hsiu Chin and 2 other individuals	$ 25, 870	$ 26, 609	$ 28, 827

(2) Lease liabilities - current

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Su, Liao Hsiu Chin and 2 other individuals	$ 3, 739	$ 2, 905	$ 2, 874

(3) Lease liabilities - noncurrent

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Su, Liao Hsiu Chin and 2 other individuals	$ 24, 035	$ 24, 771	$ 26, 950

(4) Interest expense

Related party category	2025.1.1.~3.31.	2024.1.1.~3.31.
Su, Liao Hsiu Chin and 2 other individuals	$ 98	$ 108

(5)For the three months ended March 31, 2025 and 2024, the total amount of rents that the Group had paid to Su, Liao Hsiu Chin and 2 other individuals were both $824 thousand.

(6)As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has entered into future years' building lease agreements with Su, Liao Hsiu Chin and 2 other individuals, and has first drawn post-dated notes (unlisted) amounting to $5,796 thousand, $0 thousand and $2,898 thousand, respectively, under the agreements to be cashed at the time of the future transactions.

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

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

(1) Accounts receivable

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Company that key management has significant influence	$ –	$ 15, 935	$ 4, 285

(2) Notes payable

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Company that key management has significant influence	$ –	$ –	$ 725

(3) Accounts payable

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Company that key management has significant influence	$ 47	$ 75	$ 158

(4) Other payables

Related party category	March 31, 2025	December 31, 2024	March 31, 2024
Company that key management has significant influence	$ 11	$ 29	$ 41

5. Others

Item	Related party category	2025.1.1.~3.31.	2024.1.1.~3.31.
Purchase of leftover yarn and empty tubes	Company that key management has significant influence	$ 80	$ 243

7.4 Key management compensation

Item	2025.1.1.~3.31.	2024.1.1.~3.31.
Salaries and other short-term employee benefits	$ 5, 239	$ 7, 800
Termination benefits	–	–
Post-employment benefits	39	30
Other long-term benefits	–	–
Share-based payments	–	–
Total	$ 5, 278	$ 7, 830

8. Pledged Assets:

Item	Pledged for	March 31, 2025	December 31, 2024	March 31, 2024
Land	Collateral for comprehensive credit facility	$ 372, 174	$ 372, 174	$ 372, 174
Buildings	Collateral for comprehensive credit facility	39, 756	40, 644	43, 019
Total		$ 411, 930	$ 412, 818	$ 415, 193

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

9.1 Endorsements and guarantees: None.

9.2 Guarantee notes issued

As of March 31, 2025, December 31, 2024 and March 31, 2024, due to entering of comprehensive credit contracts, the Group had issued $1,500, 000 thousand, $1,500, 000 thousand and $900, 000 thousand, respectively, of small promissory notes respectively to the financial institutions.

9.3 Guarantee notes received

To ensure collectability for contracts signed, equipment warranty and guarantees for sales contracts, the Group received guarantee notes of $685,707 thousand, $655,432 thousand and $655,878 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

9.4 As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group’s issued but unused letters of credit are as follows: (Units: Thousand dollars)

Date	Balances of issued yet unused letters of credit
March 31, 2025	NTD235,519、EUR62、USD4,282、JPY12,700
December 31, 2024	NTD196,773、EUR24、USD5,372、JPY19,700
March 31, 2024	NTD258,609、EUR122、USD6,127、CNY4,000、JPY6,500

9.5 As of March 31, 2025, December 31, 2024 and March 31, 2024, the significant capital expenditures on property, plant and equipment, etc., committed but not yet paid were $19,345 thousand, $50,503 thousand and $129,713 thousand, respectively.

10. Significant Disaster Losses: None.

11. Significant Subsequent Events: None.

12. Others

12.1 Explanation for seasonal or periodical interim operations

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

12.2 Capital risk management

The goal, policy and procedures of Group's capital risk management do not have material change in this period and are consistent with those disclosed in the 2024 annual consolidated financial statements. Please refer to Note 12.2 of the 2024 annual consolidated financial statements.

12.3 Financial instruments

1. Types of financial instruments

Financial assets	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at FVTPL			
Mandatorily measured at FVTPL	$ 952, 397	$ 961, 158	$ 710, 258
FVTOCI financial assets			
Select designated equity investments	179, 624	175, 566	181, 433
Financial assets measured at amortized cost			
Cash and cash equivalents	133, 183	140, 118	58, 132
Notes and accounts receivable (including related parties)	958, 702	1, 064, 517	1, 438, 575
Other receivables	34, 426	26, 003	129, 033
Refundable deposits	11, 552	11, 101	18, 597
Financial liabilities			
Financial liabilities measured at FVTPL			
Financial liabilities measured at amortized cost			
Short-term borrowings	715, 000	1, 285, 000	1, 100, 000
Short-term notes payable	599, 749	−	849, 664
Notes and accounts payable (including related parties)	503, 230	635, 284	633, 498
Other payables (including related parties)	228, 396	264, 796	263, 260
Long-term liabilities (including those due within one year)	2, 153, 000	−	1, 248, 000
Lease liabilities – current and noncurrent	101, 939	102, 799	110, 136
Guarantee deposits received	20, 120	19, 684	17, 260

2. Financial risk management policies

The goal, policy and procedures of Group's financial risk management do not have material change in this period and are consistent with those disclosed in the 2024 annual consolidated financial statements. Please refer to Note 12.3-2 of the 2024 annual consolidated financial statements.

3. Nature and degree of material financial risks

(1) Market Risk

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

A. Foreign exchange risk

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

	March 31, 2025			December 31, 2024		
Item (Foreign currency: functional currency)	Amount in Foreign Currency	Exchange Rate	In NTD	Amount in Foreign Currency	Exchange Rate	In NTD
Financial assets						
Monetary items						
USD:NTD	$ 15, 620	33.155	$ 517, 881	$ 18, 166	32.735	$ 594, 664
CNY:NTD	2, 016	4.548	9, 169	2, 352	4.453	10, 473
Financial liabilities						
Monetary items						
USD:NTD	7, 846	33.155	260, 134	8, 638	32.735	282, 765

	March 31, 2024		
Item (Foreign currency: functional currency)	Amount in Foreign Currency	Exchange Rate	In NTD
Financial assets			
Monetary items			
USD:NTD	$ 25, 473	31.95	$ 813, 862
CNY:NTD	3, 216	4.3830	14, 096
Financial liabilities			
Monetary items			
USD:NTD	5, 227	31.95	167, 003
CNY:NTD	4, 000	4.3830	17, 532

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

The Group's sensitivity analysis of foreign currency risk focuses on the major foreign monetary and non-monetary items on the reporting date and their foreign exchange effects on the Group's profit or loss and equity. When the foreign exchange rates appreciate/depreciate by 1%, the Group's net income for the three months ended March 31, 2025 and 2024 would increase/decrease by $2, 135 thousand and $5, 147 thousand, respectively. 1% is the sensitivity ratio used for the Group's internal reporting on foreign exchange risks to key management, it also represents the management's assessment on the reasonable range of potential changes in foreign exchange rates.

The unrealized net exchange gain (loss) arising from significant foreign exchange movement on the monetary items held by the Group for the three months ended March 31, 2025 and 2024 amounted to $5,293 thousand and $12,963 thousand, respectively. Due to complexity and large volume of transaction in foreign currencies, the unrealized exchange gain (loss) is expressed in summarized amounts.

B. Interest rate risk

Interest rate risk is the risk of fluctuations in fair value of financial instruments or in future cash flows due to changes in market interest rates. The Group's interest rate risk mainly comes from borrowings with floating interest rates. However, part of the risks is offset by the held cash and cash equivalents with floating interest rates. Since the Group regularly assess the trend of change in interest rates and would make timely responses, material risk from changes in market interest rates is not expected to occur. If the borrowing interest rate is increased/decreased by 10 basis points, given other factors remain constant, the Group's net income will decrease/increase by $698 thousand and $563 thousand for the three months ended March 31, 2025 and 2024, respectively.

C. Price risk

The Group is exposed to the price risk of equity instruments since the investments held by the Group are classified either as financial assets measured at FVTPL or at FVTOCI. In order to manage the price risk of equity instruments, the Group diversifies its investment portfolios, with the diversification methods based on the limits set by the Group. The prices of financial assets measured at FVTPL or at FVTOCI invested by the Group would be affected by uncertainties of future value of the investment targets. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, the after-tax profit for the three months ended

March 31, 2025 and 2024 would have increased/decreased by $9,524 thousand and $7,103 thousand, respectively. Equity would have increased/decreased by $1,796 thousand and $1,814 thousand, respectively.

(2) Credit risk

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

The goal, policy and procedures of Group’s credit risk management do not have material change in this period and are consistent with those disclosed in the 2024 annual consolidated financial statements. Please refer to Note 12.3-3(2) of the 2024 annual consolidated financial statements.

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

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

(3) Liquidity risk

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

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

	March 31, 2025						
Item	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 547, 632	$ 171, 000	$ −	$ −	$ −	$ 718, 632	$ 715, 000
Short-term notes and bills payable	600, 000	−	−	−	−	600, 000	599, 749
Notes payable	59, 310	−	−	−	−	59, 310	59, 310
Accounts payable (including related parties)	443, 920	−	−	−	−	443, 920	443, 920
Other payables (including related parties)	204, 106	24, 290	−	−	−	228, 396	228, 396
Long-term borrowings (including those due within one year)	22, 393	25, 035	682, 232	1, 533, 379	−	2, 263, 039	2, 153, 000

	December 31, 2024						
Item	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 1, 080, 929	$ 210, 341	$ −	$ −	$ −	$ 1, 291, 270	$ 1, 285, 000
Notes payable	112, 413	−	−	−	−	112, 413	112, 413
Accounts payable (including related parties)	522, 871	−	−	−	−	522, 871	522, 871
Other payables (including related parties)	264, 796	−	−	−	−	264, 796	264, 796
Long-term borrowings	22, 378	22, 385	673, 274	1, 556, 183	−	2, 274, 220	2, 153, 000

Item	March 31, 2024						
	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Non-derivative financial liabilities							
Short-term borrowings	$ 1, 102, 617	$ −	$ −	$ −	$ −	$ 1, 102, 617	$ 1, 100, 000
Short-term notes and bills payable	850, 000	−	−	−	−	850, 000	849, 664
Notes payable (including related parties)	157, 084	−	−	−	−	157, 084	157, 084
Accounts payable (including related parties)	476, 414	−	−	−	−	476, 414	476, 414
Other payables (including related parties)	234, 031	29, 229	−	−	−	263, 260	263, 260
Long-term borrowings (including those due within one year)	13, 037	371, 455	857, 497	46, 530	−	1, 288, 519	1, 248, 000

12.4 Fair value information

1. Fair value levels

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

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

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

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

2. Financial instruments that are not measured at fair value

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

3. Regarding the financial and non-financial instruments that are measured at fair value as of March 31, 2025, December 31, 2024 and March 31, 2024, the Group classifies the assets and liabilities based on their nature, characteristics, level of risks and fair value:

	March 31, 2025			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL - current				
Listed (OTC) and emerging stocks	$ 952, 329	$ –	$ –	$ 952, 329
Financial assets at FVTOCI	–	68	–	68
– noncurrent				
Non-listed (OTC) stocks and limited partnership	–	–	179, 624	179, 624
Total	$ 952, 329	$ 68	$ 179, 624	$ 1, 132, 021

	December 31, 2024			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL - current				
Listed (OTC) and emerging stocks	$ 961, 158	$ –	$ –	$ 961, 158
Derivatives - FX Swap Contract				
Financial assets at FVTOCI				
– noncurrent				
Non-listed (OTC) stocks and limited partnership	–	–	175, 566	175, 566
Total	$ 961, 158	$ –	$ –	$ 1, 136, 724

	March 31, 2024			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL				
－current				
Listed (OTC) and emerging stocks	$ 710, 258	$ –	$ –	$ 710, 258
Financial assets at FVTOCI				
– noncurrent				
Non-listed (OTC) stocks and limited partnership	–	–	181, 433	181, 433
Total	$ 710, 258	$ –	$ 181, 433	$ 891, 691

4. The methods and assumptions used for measure fair values

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

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

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

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

(4) The output of the valuation model is the computed approximate value, and the valuation technique may not be able to reflect all relevant factors of the Group's held financial and non-financial instruments. Therefore, the estimated value of the valuation model would be properly adjusted based on additional parameters, such as model risk or liquidity risk. Based on the Group's management policy for fair-value valuation model and the related controlling procedures, the valuation adjustments are appropriate and necessary. The price information and parameters used during the valuation procedures are assessed carefully and are properly adjusted based the current market conditions.

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

5. Transfer between Level 1 and Level 2 of the fair value hierarchy for the three months ended March 31, 2025 and 2024: None.

6. Changes in Level 3 financial instruments for the three months ended March 31, 2025 and 2024

Item	Non-derivative equity instruments – non-listed (OTC) stocks and limited partnership	
	2025.1.1.~3.31.	2024.1.1.~3.31.
Beginning balance	$ 175, 566	$ 180, 826
Acquisition in this period	4, 000	4, 000
Disposition in this period	–	–
Funds returned from capital reduction in this period	–	–
Capital distribution in this period	(890)	–
Transfer in (out) Level 3	–	–
Recognized in other comprehensive income (loss)	948	(3, 393)
Ending balance	$ 179, 624	$ 181, 433

7. For the three months ended March 31, 2025 and 2024, the Group did not have fair value transferred in or out of Level 3.

8. According to the Group's valuation procedures for Level 3 fair value classification, the Group's accounting department, along with outside professional appraisal institutions, share the work to independently verify the fair value of the financial instruments. The valuation works include using independent source data to make the valuation result close to the market condition and confirming independence and

reliability of the data source, consistency with other resources, and representing execution price. The required input value and data are periodically updated, and any other necessary fair value adjustments are made to ensure reasonable valuation results.

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

Item	Fair value as of March 31, 2025	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed (OTC) stocks	$ 137, 597	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	42, 027	Asset approach	NA	NA	NA
Total	$ 179, 624				

Item	Fair value as of December 31, 2024	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed (OTC) stocks	$ 134, 892	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	40, 674	Asset approach	NA	NA	NA
Total	$ 175, 566				

Item	Fair value as of March 31, 2024	Valuation technique	Material unobservable input value	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed (OTC) stocks	$ 140, 956	Market approach	Liquidation discount	25%	higher liquidation discount, lower fair value results
Venture capital stocks and limited partnership	40, 477	Asset approach	NA	NA	NA
Total	$ 181, 433				

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

			2025.1.1.~ 3.31.			
			Recognized in profit or loss		Recognized in other comprehensive income	
Item	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Non-derivative equity instruments:						
Non-listed (OTC) stocks	Liquidation discount	+1%	$ -	$ -	$ -	($ 1, 837)
		-1%	$ -	$ -	$ 1, 837	$ -

			2024.1.1.~ 3.31.			
			Recognized in profit or loss		Recognized in other comprehensive income	
Item	Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Non-derivative equity instruments:						
Non-listed (OTC) stocks	Liquidation discount	+1%	$ -	$ -	$ -	($ 1, 854)
		-1%	$ -	$ -	$ 1, 854	$ -

13. Supplementary disclosures

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

1. Loans to others: None.

2. Endorsements and guarantees provided to others: None.

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

Unit: Thousand shares/units (unless specified otherwise)

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	End of the period			
					Number of shares/units	Book value	Ownership (%)	Fair value
Zig Sheng Industrial Co., Ltd.	Stock	Tainan Spinning Co., Ltd.	—	Financial assets measured at FVTPL - current	1, 040	13, 936	0. 06	13, 936
		Yi Jinn Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	7, 503	145, 564	2. 37	145, 564
		Lan Fa Textile Co., Ltd.	—	Financial assets measured at FVTPL - current	1, 187	14, 838	0. 33	14, 838
		De Licacy Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	898	16, 122	0. 22	16, 122
		Eclat Textile Co., Ltd.	—	Financial assets measured at FVTPL - current	301	132, 275	0. 11	132, 275
		Makalot Industrial Co., Ltd.	—	Financial assets measured at FVTPL - current	258	79, 095	0. 11	79, 095
		Oriental Union Chemical Corporation	—	Financial assets measured at FVTPL - current	1, 000	14, 550	0. 11	14, 550
		TSRC Corporation	—	Financial assets measured at FVTPL - current	400	7, 760	0. 05	7, 760
		Nantex Industry Co., Ltd.	—	Financial assets measured at FVTPL - current	200	5, 890	0. 04	5, 890
		Taiwan Semiconductor Manufacturing Company Limited	—	Financial assets measured at FVTPL - current	80	72, 800	-	72, 800
		Evergreen Marine Corporation (Taiwan) Ltd.	—	Financial assets measured at FVTPL - current	1, 200	264, 600	0. 06	264, 600
		Kwang Ming Silk Mill Co., Ltd.	—	Financial assets measured at FVTPL - current	25	1, 278	0. 06	1, 278
		Great Giant Fibre Garment Co., Ltd.	—	Financial assets measured at FVTPL - current	551	153, 321	0. 91	153, 321
		Nan Ya Printed Circuit Board Corporation	—	Financial assets measured at FVTPL - current	300	30, 300	0. 05	30, 300
		Lilyent Corp.	—	Financial assets measured at FVTOCI - noncurrent	2, 881	50, 305	4. 01	50, 305
		Yen Hsing Textile Co., Ltd.	The Company is the director of the company	Financial assets measured at FVTOCI - noncurrent	4, 890	54, 130	13. 99	54, 130
		Yi Tong Fiber Co., Ltd.	—	Financial assets measured at FVTOCI - noncurrent	671	31, 797	1. 52	31, 797
		Chu Sing Industrial Co., Ltd.	—	Financial assets measured at FVTOCI - noncurrent	29	1, 365	3. 32	1, 365
		Ability Asia Capital Corp.	The Company is the supervisor of the company	Financial assets measured at FVTOCI - noncurrent	1, 648	17, 353	0. 98	17, 353
	Partnership	Ability Asia Capital II Outstanding Transformation Growth Limited Partnership	—	Financial assets measured at FVTOCI - noncurrent	-	24, 674	-	24, 674

4. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
6. Name, location, etc. of investee companies over which the Company has direct or indirect influence, control or joint control (not including investments in Mainland China)

Unit: NTD thousand/USD thousand

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the end of period			Net income (losses) of the investee	Share of profits/losses of investee	Footnote
				End of this period	End of last year	Number of shares (thousand)	Percentage of ownership	Book value			
Zig Sheng Industrial Co., Ltd	ZIS Holding Co., Ltd.	Mauritius	Make various investments outside of Taiwan region following the Parent company's operating policies	$ 185, 020	$ 185, 020	5, 400	100%	–	–	–	Please refer to Note 6.9 for details
	Nicest Int'L Trading Corp.	Samoa	Make various investments outside of Taiwan region following the Parent company's operating policies	8, 883	8, 883	300	100%	$24, 264	$ 2, 245	$ 2, 156	Includes a net reduction of $89 thousand due to the difference between the entity basis and the consolidated basis of income tax on unrealized gains and losses.
	Ding Sheng Material Technology Corporation Limited	Taipei	Production of synthetic resin and industrial plastic products and related international trading	15, 000	15, 000	1, 500	100%	8, 434	(38)	(38)	
Ding Sheng Material Technology Corporation Limited	Ding Sheng Material Technology Corporation	USA	General import trading	6, 340	6, 340	200	100%	1, 003	(17)	(17)	

Note: Except for the original investment amount, which is measured at historical exchange rates, all foreign currency amounts in this table are translated into New Taiwan dollars at the exchange rates prevailing on the balance sheet date.

7. Business Relationships between Parent and Subsidiaries and Significant Transactions

Company name	Counter-party	Nature of relationships	Transaction details			
			Account	Amount	Transaction terms	Accounts for (%) of consolidated total revenue or total assets
Zig Sheng Industrial Co., Ltd.	Suzhou Hongsheng Trading Co., Ltd.	Parent to subsidiary	Sales revenue	$ 9,038	Per agreement based on general market price	0.48%
			Accounts receivable	9,166	T/T 90 days settled monthly	0.09%
			Realized sales gains	495	—	0.03%
			Unrealized sales gains	140	—	0.01%
	Ding Sheng Material Technology Corporation Limited	Parent to subsidiary	Rental income	24	Per agreed contract	—
Suzhou Hongsheng Trading Co., Ltd.	Zig Sheng Industrial Co., Ltd.	Subsidiary to parent	Sales revenue	18,823	Per agreement based on general market price	1.01%
			Accounts receivable	4,139	T/T 90 days settled monthly	0.04%
			Other receivables	38	T/T 90 days settled monthly	—
			Other advance receipts	287	—	—

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

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

13.3 Information on investment in Mainland China

1.

Unit: NTD thousand/USD thousand

Investee in Mainland China	Main Business Activities	Total Amount of Paid-in Capital	Investment Method	Accumulated Outflow of Investment from Taiwan as of Beginning of Period	Investment Flows		Accumulated Outflow of Investment from Taiwan as of End of Period	Net Income (Losses) of the Investee	Ownership Held by the Company (direct or indirect) (%)	Investment Profits/Losses Recorded	Carrying Amount as of End of Period	Accumulated Inward Remittance of Earnings as of End of Period
					Outflow	Inflow						
Kunshan Lilytex Co., Ltd.	Warehouse rental business	USD24,782	Note (1)	$185,020 (USD5,400)	—	—	$185,020 (USD5,400)	$2,867	21.79%	— Note (3)	0 Note (3)	-
Suzhou Hongsheng Trading Co., Ltd	Engage in wholesale, import/export, agency (excluding auctions) of plastic products, chemical products (except for hazardous items), synthetic fiber materials, products made by synthetic fibers, textile materials, mechanical and electric equipment and its parts and the related services, consulting services and maintenance/repair services for mechanical and electric equipment and its parts	USD300	Note (1)	8,883 (USD300)	—	—	8,883 (USD300)	2,245	100.00%	$2,245 Note (2)	$24,369 Note (2)	-

Accumulated Investment in Mainland China as of End of Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note (4))
$193, 903(USD5, 700)	$193, 903(USD5, 700)	$3,715,156

Note:

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

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

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

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

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

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

The Group does not have significant direct or indirect transactions with the investee company, Kunshan Lilytex Co., Ltd., through third area; regarding significant direct or indirect transactions between the Group and the investee company, Suzhou Hongsheng Trading Co., Ltd., through third area, please refer to Note 13.1, 13.2-11.

14. Operating Segment Information

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

(1) Undertakes business operations that earn revenue and incur expenses.

(2) The operating results are periodically reviewed by the operating decision makers for forming decisions on allocating resources to the segment and evaluate the performance of the segment.

(3) With separate standalone financial information.

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

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

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

The Groups other non-reporting business operations and operating segments are collectively disclosed in “Other Operating Segments”.

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

14.4 The business units are supervised separately by the respective management of the Group for forming decisions on resource allocation and performance evaluation. The performance of Operating Segments is measured based on operating profit or loss, such measurement amounts are provided to operating decision makers for allocating resources to the segments and performance evaluation and are prepared using the same methods with those in the Consolidated Financial Statements. However, the headquarter operating costs, income tax expenses (benefits) and non-regular gains or losses (non-operating income and expenses) are managed based on the parent company and are not allocated to the reporting Segments. The reported amounts are consistent with the reports used by the operating decision makers. The transfer pricings among the Operating Segments are based on similar regular transactions with outside third parties. The accounting policies of Operating Segments are basically the same as those described in Summary of Significant Accounting Policies in Note 4 of the 2025 annual consolidated financial statements.

14.5 Financial Information for Operating Segments

1. 2025.1.1. ~ 3.31. and for the year ended March 31, 2025

	Fiber Operating Segment	Chemical Materials Operating Segment	Other Segments	Adjustment and write-offs	Total
Revenue					
From outside customers	$ 867, 878	$ 983, 551	$ 8, 388	$ –	$ 1, 859, 817
Revenue among segments	193, 877	371, 259	18, 823	(583, 959)	–
Total revenue	$1, 061, 755	$1, 354, 810	$ 27, 211	($ 583, 959)	$ 1, 859, 817
Segment profit (loss)	($ 60, 615)	($ 59, 191)	$ 2, 161	($ 4, 062)	($ 121, 707)
Non-operating income and expenses					(17, 446)
Before-tax income (loss) from continuing operations					($ 139, 153)
Segment profit (loss) includes:					
Depreciation and amortization	$ 52, 924	$ 15, 578	$ 1, 129	$ 15, 954	$ 85, 585
Segment assets	$ –	$ –	$ –	$10, 743, 686	$10, 743, 686
Segment liabilities	$ –	$ –	$ –	$ 4, 551, 759	$ 4, 551, 759

2. 2024.1.1. ~ 3.31. and for the year ended March 31, 2024

	Fiber Operating Segment	Chemical Materials Operating Segment	Other Segments	Adjustment and write-offs	Total
Revenue					
From outside customers	$ 888, 580	$1, 339, 597	$ 15, 440	$ –	$ 2, 243, 617
Revenue among segments	–	448, 412	–	(448, 412)	–
Total revenue	$ 888, 580	$1, 788, 009	$ 15, 440	($ 448, 412)	$ 2, 243, 617
Segment profit (loss)	($ 36, 887)	$ 21, 680	($ 197)	$ 178	($ 15, 226)
Non-operating income and expenses					98, 460
Before-tax income (loss) from continuing operations					$ 83, 234
Segment profit (loss) includes:					
Depreciation and amortization	$ 58, 430	$ 17, 131	$ 1, 079	$ 18, 113	$ 94, 753
Segment assets	$ –	$ –	$ –	$10, 853, 681	$10, 853, 681
Segment liabilities	$ –	$ –	$ –	$ 4, 476, 485	$ 4, 476, 485

3. Explanation for adjustments (reconciliations) and write-offs:

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

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

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