Stock Code:1476

ECLAT TEXTILE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2024 and 2023

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Independent Auditors' Review Report

To the Board of Directors of Eclat Textile Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Eclat Textile Co., Ltd. (the "Company") and its subsidiaries (together referred to as the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, " Review of Financial Information Performed by the Independent Auditor of the Entity"of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $1,141,507 thousand and $1,078,572 thousand, constituting 3.40% and 3.51% of the total consolidated assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to $450,362 thousand and $433,322 thousand, constituting 6.87% and 6.96% of the total consolidated liabilities as of September 30, 2024 and 2023, respectively. Also, the total comprehensive loss amounting to $349,082 thousand, $297,358 thousand, $988,308 thousand and $956,627 thousand, constituting (21.35)%, (16.88)%, (19.41)% and (23.57)% of the total consolidated comprehensive income for the three months and nine months ended September 30, 2024 and 2023, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Hui-Chih Kou and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
November 7, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditor's review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 3,578,097	11	2,813,733	9	3,926,319	13
1150	Notes receivable (including related parties) (notes 6(b) and 7)	16,880	-	19,459	-	16,993	-
1170	Accounts receivable, net (note 6(b))	5,805,003	17	4,691,324	15	4,372,027	14
1200	Other receivables	19,957	-	30,290	-	19,437	-
1220	Current tax assets	974	-	-	-	-	-
1310	Inventories, net (note 6(c))	5,414,867	16	4,402,436	14	4,689,859	15
1460	Non-current assets held for sale, net (note 6(d))	-	-	25,863	-	60,847	-
1470	Other current assets (notes 6(g) and 8)	4,497,807	14	5,414,913	17	2,838,720	9
	Total current assets	19,333,585	58	17,398,018	55	15,924,202	51
	Non-current assets:						
1550	Investments accounted for using equity method	-	-	-	-	-	-
1600	Property, plant and equipment (notes 6(e) and 7)	12,925,824	39	12,287,751	39	12,697,206	42
1755	Right-of-use assets	68,220	-	67,025	-	73,478	-
1760	Investment property, net (note 6(f))	755,064	2	737,780	2	739,616	2
1780	Intangible assets	27,367	-	25,128	-	20,205	-
1840	Deferred tax assets	47,370	-	47,370	-	25,463	-
1975	Net defined benefit asset, non-current	120,221	-	117,066	-	115,063	-
1990	Other non-current assets, others (note 6(g))	339,816	1	1,152,597	4	1,169,779	5
	Total non-current assets	14,283,882	42	14,434,717	45	14,840,810	49
	Total assets	**$ 33,617,467**	**100**	**31,832,735**	**100**	**30,765,012**	**100**

		September 30, 2024		December 31, 2023		September 30, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Current borrowings (notes 6(h) and (q))	$ 1,149,370	4	623,772	2	629,749	2
2150	Notes payable	148,170	-	90,303	-	130,518	-
2170	Accounts payable	2,301,961	7	1,575,849	5	1,759,104	6
2200	Other payables (note 6(j))	2,041,541	6	1,457,374	4	1,321,751	4
2230	Current tax liabilities	521,368	2	1,557,861	5	1,225,524	4
2280	Current lease liabilities	13,947	-	13,835	-	14,862	-
2320	Long-term liabilities, current portion (notes 6(i) and (q))	-	-	562,925	2	699,183	2
2399	Other current liabilities, others	297,235	1	199,039	1	368,020	1
	Total current liabilities	6,473,592	20	6,080,958	19	6,148,711	19
	Non-current liabilities:						
2570	Deferred tax liabilities	13,366	-	13,290	-	6,906	-
2580	Non-current lease liabilities	57,567	-	55,759	-	62,463	-
2640	Net defined benefit liability, non-current	7,630	-	5,702	-	4,319	-
2645	Guarantee deposits received	6,446	-	6,445	-	5,997	-
	Total non-current liabilities	85,009	-	81,196	-	79,685	-
	Total liabilities	6,558,601	20	6,162,154	19	6,228,396	19
	Equity (note 6(l))						
3110	Ordinary share	2,743,671	8	2,743,671	9	2,743,671	9
3200	Capital surplus	3,769,803	11	3,769,547	12	3,769,547	13
	Retained earnings:						
3310	Legal reserve	5,326,981	16	4,809,262	15	4,809,262	16
3350	Unappropriated retained earnings	15,020,916	45	14,308,572	45	12,908,215	42
	Total retained earnings	20,347,897	61	19,117,834	60	17,717,477	58
3490	Other equity, others	197,495	-	39,529	-	305,921	1
	Total equity	27,058,866	80	25,670,581	81	24,536,616	81
	Total liabilities and equity	**$ 33,617,467**	**100**	**31,832,735**	**100**	**30,765,012**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

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

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (note 6(n))**	$ 10,031,710	100	7,972,808	100	27,257,625	100	22,291,528	100
5000	**Operating costs (notes 6(c), (e), (j), (o) and 12)**	6,789,505	68	5,336,554	67	18,745,280	69	15,375,262	69
	Gross profit from operations	3,242,205	32	2,636,254	33	8,512,345	31	6,916,266	31
	Operating expenses (notes 6(e), (f), (j), (o), 7 and 12):								
6100	Selling expenses	481,575	5	423,027	5	1,337,673	5	1,159,645	5
6200	Administrative expenses	404,123	4	352,976	4	1,166,305	4	1,036,312	5
6300	Research and development expenses	47,176	-	40,011	1	122,917	-	112,083	-
	Total operating expenses	932,874	9	816,014	10	2,626,895	9	2,308,040	10
	Net operating income	2,309,331	23	1,820,240	23	5,885,450	22	4,608,226	21
	Non-operating income and expenses (notes 6(e), (p), 7 and 12):								
7010	Other income	7,979	-	7,296	-	23,306	-	17,238	-
7020	Other gains and losses, net	(99,254)	(1)	229,746	3	299,103	1	329,552	1
7050	Finance costs	(18,406)	-	(23,961)	-	(58,313)	-	(96,551)	-
7100	Interest income	15,433	-	11,533	-	72,197	-	74,811	-
	Total non-operating income and expenses	(94,248)	(1)	224,614	3	336,293	1	325,050	1
7900	**Income before income tax**	2,215,083	22	2,044,854	26	6,221,743	23	4,933,276	22
7950	**Less: Tax expense (note 6(k))**	439,880	4	486,741	6	1,287,724	5	1,156,443	5
8200	**Profit**	1,775,203	18	1,558,113	20	4,934,019	18	3,776,833	17
8300	**Other comprehensive income:**								
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(140,394)	(2)	203,848	2	157,966	1	282,057	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(140,394)	(2)	203,848	2	157,966	1	282,057	1
8300	**Other comprehensive income, net of income tax**	(140,394)	(2)	203,848	2	157,966	1	282,057	1
8500	**Total comprehensive income**	**$ 1,634,809**	**16**	**1,761,961**	**22**	**5,091,985**	**19**	**4,058,890**	**18**
	Earnings per share (in dollars) (note 6(m))								
9750	**Basic earnings per share**	**$ 6.47**		**5.68**		**17.98**		**13.77**	
9850	**Diluted earnings per share**	**$ 6.47**		**5.68**		**17.98**		**13.77**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Nine Months Ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings					
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2023	$ 2,743,671	3,769,547	4,126,099	429,446	14,049,340	18,604,885	23,864	25,141,967
Profit	-	-	-	-	3,776,833	3,776,833	-	3,776,833
Other comprehensive income (loss)	-	-	-	-	-	-	282,057	282,057
Total comprehensive income (loss)	-	-	-	-	3,776,833	3,776,833	282,057	4,058,890
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	683,163	-	(683,163)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,664,241)	(4,664,241)	-	(4,664,241)
Reversal of special reserve	-	-	-	(429,446)	429,446	-	-	-
Balance at September 30, 2023	**$ 2,743,671**	**3,769,547**	**4,809,262**	**-**	**12,908,215**	**17,717,477**	**305,921**	**24,536,616**
Balance at January 1, 2024	$ 2,743,671	3,769,547	4,809,262	-	14,308,572	19,117,834	39,529	25,670,581
Profit	-	-	-	-	4,934,019	4,934,019	-	4,934,019
Other comprehensive income (loss)	-	-	-	-	-	-	157,966	157,966
Total comprehensive income (loss)	-	-	-	-	4,934,019	4,934,019	157,966	5,091,985
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	517,719	-	(517,719)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,703,956)	(3,703,956)	-	(3,703,956)
Other changes in capital surplus:								
Other changes in capital surplus	-	256	-	-	-	-	-	256
Balance at September 30, 2024	**$ 2,743,671**	**3,769,803**	**5,326,981**	**-**	**15,020,916**	**20,347,897**	**197,495**	**27,058,866**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30 2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 6,221,743	4,933,276
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	653,383	640,957
Amortization expense	19,270	15,960
Interest expense	58,313	96,551
Interest income	(72,197)	(74,811)
Loss (gain) on disposal of property, plant and equipment	(1,508)	182
Property, plant and equipment transferred to expenses	746	-
Loss (gain) on disposal of non-current assets held for sale	(56,697)	-
Gain on lease modification	(334)	-
Total adjustments to reconcile profit	600,976	678,839
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	2,579	(13,947)
Decrease (increase) in accounts receivable	(1,113,679)	(575,057)
Decrease (increase) in inventories	(1,012,543)	(64,812)
Decrease (increase) in other current assets	3,151	(102,136)
Decrease (increase) in other financial assets	115,485	147,208
Decrease (increase) in other operating assets	(816)	3,804
Increase (decrease) in notes payable	57,867	50,003
Increase (decrease) in accounts payable	726,112	151,366
Increase (decrease) in other payables	589,177	(504,230)
Increase (decrease) in other current liabilities	98,196	62,797
Increase (decrease) in net defined benefit liability	(1,227)	(897)
Total changes in operating assets and liabilities	(535,698)	(845,901)
Total adjustments	65,278	(167,062)
Cash inflow generated from operations	6,287,021	4,766,214
Interest received	79,379	79,370
Interest paid	(58,020)	(87,035)
Income taxes paid	(2,325,115)	(1,688,920)
Net cash flows from (used in) operating activities	3,983,265	3,069,629
Cash flows from (used in) investing activities:		
Proceeds from disposal of non-current assets held for sale	82,560	-
Acquisition of property, plant and equipment	(400,750)	(255,278)
Proceeds from disposal of property, plant and equipment	9,543	-
Decrease in refundable deposits	1,250	4,709
Acquisition of intangible assets	(12,794)	(8,066)
Decrease in other financial assets	802,370	1,000,000
Decrease in prepayments for business facilities	76,613	499
Net cash flows from (used in) investing activities	558,792	741,864
Cash flows from (used in) financing activities:		
Increase in current borrowings	1,992,996	-
Decrease in current borrowings	(1,467,398)	(1,148,360)
Repayments of long-term borrowings	(562,925)	(68,567)
Increase in guarantee deposits received	1	1,791
Payment of lease liabilities	(18,607)	(20,475)
Cash dividends paid	(3,703,956)	(4,664,241)
Other financing activities	256	-
Net cash flows from (used in) financing activities	(3,759,633)	(5,899,852)
Effect of exchange rate changes on cash and cash equivalents	(18,060)	(7,593)
Net increase (decrease) in cash and cash equivalents	764,364	(2,095,952)
Cash and cash equivalents at beginning of period	2,813,733	6,022,271
Cash and cash equivalents at end of period	**$ 3,578,097**	**3,926,319**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Eclat Textile Co., Ltd. (the “Company”) was incorporated on November 28, 1977. The Company has established the Ta-shan Plant, Hsi-chou Plant in Miao-li, and Dayuan Plant in Taoyuan. The Company and its subsidiaries (the “ Group”) have mainly been involved in the manufacturing and marketing of knitwear. Please refer to note 4(b) for more details about the operation of the Group.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and issued on November 7, 2024.

(3) New standards, amendments and interpretations adopted

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(b) The impact of IFRS endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an

Investor and Its Associate or Joint Venture”

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “ Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

(i) The subsidiaries in the consolidated financial statements

			Shareholding Ratio			
Investor	**Name of Subsidiary**	**Primary Business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Note**
The Company	Grand Elite Holdings Inc. (Grand Elite)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 2
The Company	Eclat Cayman Islands Holdings (Eclat Cayman)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	-
The Company	PT Eclat Textile International (Eclat Textile (ID))	Design, manufacture, processing, sale of clothing, knit fabrics mill, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	Note 1
Grand Elite	Eclat Textile (Cambodia) Co., Ltd. (Eclat Textile (Cambodia))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Eclat Textile Co., Ltd. (Vietnam) (Eclat Textile (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	-
Eclat Cayman	Eclat Fabrics (Vietnam) Co., Ltd. (Fabrics)	Knit fabrics mill, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	-
Eclat Cayman	E-TOP (Vietnam) Co., Ltd. (E-TOP (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	-

ECLAT TEXTILE CO., LTD AND SUBSIDIARIES
Notes to Consolidated Financial Statements

			Shareholding Ratio			
Investor	**Name of Subsidiary**	**Primary Business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Note**
Eclat Cayman	Colltex Garment Mfy Co., Ltd. (VN) (Colltex)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Eclat Enterprise Ltd. (Eclat Enterprise)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Tai-Yuan Garments Co., Ltd. (Tai-Yuan (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	PT Eclat Textile International (Eclat Textile (ID))	Design, manufacture, processing, sale of clothing, knit fabrics mill, printing, dyeing and finishing mill	- %	- %	- %	Note 1

Note1: Eclat Textile (ID) was mutually set up by the Company and Eclat Cayman. The shareholding ratio of the Company and Eclat Cayman are 99.9996% and 0.0004%, respectively.

Note2: One of the non-significant subsidiaries whose financial reports for the nine months ended September 30, 2024 and 2023 were not reviewed.

(ii) The subsidiaries are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant onetime events.

(d) Income taxes

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is measured by multiplying together the pre-tax income for the interim reporting period and management’s best estimate of effective annual tax rate. All income tax expense should be recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Preparing consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those in Note 5 of the consolidated financial statements for the year ended December 31, 2023.

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(6) Explanation to significant accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023, for more details.

(a) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash	$ 5,533	5,918	5,715
Bank deposits	3,545,978	2,757,278	3,767,588
Term deposits	26,586	50,537	153,016
Cash and cash equivalents	**$ 3,578,097**	**2,813,733**	**3,926,319**

(b) Notes receivable and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable-operating activities(including related parties)	$ 16,880	19,459	16,993
Accounts receivable	5,829,089	4,715,410	4,396,113
Less: allowance for doubtful accounts	(24,086)	(24,086)	(24,086)
Total	**$ 5,821,883**	**4,710,783**	**4,389,020**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information.

The loss allowance provisions for the notes and accounts receivable of the Group were determined as follows:

	September 30, 2024		
	Gross carrying amount	**Weighted-average credit loss rate**	**Expected credit loss**
Current	$ 5,115,382	0%~2.1%	18,076
Within 30 days past due	677,078	0.4%~6.0%	3,665
31 to 120 days past due	53,066	0.4%~100%	1,902
Over 121 days past due	443	100%	443
	$ 5,845,969		**24,086**

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	December 31, 2023		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 4,221,174	0%~4.2%	20,220
Within 30 days past due	512,672	0.3%~4.2%	3,246
31 to 120 days past due	590	0.3%~100%	187
Over 121 days past due	433	100%	433
	$ 4,734,869		**24,086**

	September 30, 2023		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 3,946,931	0%~5.0%	8,208
Within 30 days past due	417,195	0.3%~5.0%	1,321
31 to 120 days past due	48,553	0.3%~100%	14,130
Over 121 days past due	427	100%	427
	$ 4,413,106		**24,086**

None of notes receivable and accounts receivable held by the Group needed to increase provision for losses due to an increase in overdue credit risk for the three months and the nine months ended September 30, 2024 and 2023.

None of notes receivable and accounts receivable held by the Group were pledged or collateralized as of September 30, 2024, December 31, and September 30, 2023.

Accounts receivable of the Group had been insured accounts receivable credit risk. The insured amounts were $3,080,016 thousand, $2,313,553 thousand and $2,158,942 thousand as of September 30, 2024, December 31, and September 30, 2023, respectively. Guaranteed fraction was 90% of reviewed credit of policyholder, the recoverable amount of the insurance was considered when deciding impairment amount of accounts receivable.

The Group has signed accounts receivable factoring contracts without recourse with financial institutions. As stated in the contract, the Group does not have to bear the risks of uncollectable accounts receivables but the loss incurred due to commercial arguments, and hence meets the criteria of derecognition of financial assets. Factored accounts receivables which were not due as of the report date were as follows:

September 30, 2024					
Counterparty	**Factored amount**	**Acceptable advances**	**Amount collected in advance**	**Interest rate**	**Pledged items**
E.Sun Bank	**$ -**	**3,500,807**	**-**	**-**	None
CTBC Bank	**$ -**	**3,332,745**	**-**	**-**	None

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December 31, 2023					
Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E.Sun Bank	$ -	2,462,234	-	-	None
CTBC Bank	$ -	3,084,010	-	-	None

September 30, 2023					
Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E.Sun Bank	$ -	2,373,452	-	-	None
CTBC Bank	$ -	2,936,247	-	-	None

(c) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials(including raw materials in transit)	$ 3,104,806	2,547,931	2,588,997
Supplies	755,634	540,749	532,513
Work in progress	1,355,243	1,103,637	1,331,559
Finished goods	199,184	210,119	236,790
	$ 5,414,867	4,402,436	4,689,859

For the three months and the nine months ended September 30, 2024 and 2023, the price change of inventory resulted in gain from value recovery (loss on value depreciation) and recognized as cost of goods sold.

The details were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Gain from value recovery (loss on value depreciation)	$ -	-	(260)	206

None of inventories held by the Group were pledged as of September 30, 2024, December 31, and September 30, 2023.

(d) Non-current assets held for sale

The Group's board of directors approved a resolution to sell the part of property, plant and equipment on September 7, 2023, then the related assets were reported as held for sale. As of September 30, 2024, all of the assets reported as held for sale have been sold.

As of September 30, 2024, December 31, and September 30, 2023, the details were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	$ -	21,162	21,271
Buildings	-	4,701	39,576
	$ -	25,863	60,847

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As of December 31, and September 30, 2023, the Group had measured the fair value of non-current assets held for sale based on the lower of the carrying amount and fair value less costs of sale, there were no need to recognize impairment losses.

(e) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2024	$ 4,169,493	8,877,134	5,726,882	119,412	251,070	1,627,310	4,548	20,775,849
Additions	-	66,218	148,234	12,841	110,745	53,708	9,004	400,750
Disposals	-	-	(24,547)	(21,210)	(7,051)	(5,837)	-	(58,645)
Reclassification	760,679	(21,466)	6,034	-	248	1,019	(12,315)	734,199
Effect of exchange rate changes	(8,378)	145,589	112,920	2,140	4,208	42,362	169	299,010
Balance at September 30, 2024	$ **4,921,794**	**9,067,475**	**5,969,523**	**113,183**	**359,220**	**1,718,562**	**1,406**	**22,151,163**
Balance at January 1, 2023	$ 4,817,819	9,088,332	5,628,911	118,502	241,940	1,540,996	10,301	21,446,801
Additions	-	59,795	109,176	735	7,871	73,198	4,503	255,278
Disposals	-	(476)	(12,481)	-	(574)	(673)	-	(14,204)
Reclassification	(648,321)	(269,553)	6	-	161	970	(8,844)	(925,581)
Effect of exchange rate changes	1,408	240,426	188,416	3,508	6,879	69,598	296	510,531
Balance at September 30, 2023	$ **4,170,906**	**9,118,524**	**5,914,028**	**122,745**	**256,277**	**1,684,089**	**6,256**	**21,272,825**
Depreciation:								
Balance at January 1, 2024	$ -	2,277,812	4,591,811	94,353	212,016	1,312,106	-	8,488,098
Depreciation	-	301,329	220,076	6,044	16,319	89,111	-	632,879
Disposals	-	-	(23,498)	(13,608)	(7,051)	(5,707)	-	(49,864)
Reclassification	-	(12,371)	-	-	-	-	-	(12,371)
Effect of exchange rate changes	-	40,730	86,775	1,889	3,265	33,938	-	166,597
Balance at September 30, 2024	$ **-**	**2,607,500**	**4,875,164**	**88,678**	**224,549**	**1,429,448**	**-**	**9,225,339**
Balance at January 1, 2023	$ -	2,007,560	4,322,782	84,884	205,262	1,199,159	-	7,819,647
Depreciation	-	297,832	220,862	7,331	6,916	86,925	-	619,866
Disposals	-	(476)	(12,347)	-	(574)	(625)	-	(14,022)
Reclassification	-	(123,283)	-	-	-	-	-	(123,283)
Effect of exchange rate changes	-	66,700	142,706	3,071	5,318	55,616	-	273,411
Balance at September 30, 2023	$ **-**	**2,248,333**	**4,674,003**	**95,286**	**216,922**	**1,341,075**	**-**	**8,575,619**
Carrying amounts:								
Balance at September 30, 2024	$ **4,921,794**	**6,459,975**	**1,094,359**	**24,505**	**134,671**	**289,114**	**1,406**	**12,925,824**
Balance at January 1, 2024	$ **4,169,493**	**6,599,322**	**1,135,071**	**25,059**	**39,054**	**315,204**	**4,548**	**12,287,751**
Balance at September 30, 2023	$ **4,170,906**	**6,870,191**	**1,240,025**	**27,459**	**39,355**	**343,014**	**6,256**	**12,697,206**

The property, plant and equipment of the Group were not pledged or mortgaged as collateral for loans as of September 30, 2024, December 31, and September 30, 2023.

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(f) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases which owned by the Group.

The details of the changes were as follows:

		Land	Buildings	Total
Cost:				
Balance at January 1, 2024	$	627,050	211,042	838,092
Reclassification from property, plant and equipment		9,444	26,479	35,923
Balance at September 30, 2024	**$**	**636,494**	**237,521**	**874,015**
Balance at January 1, 2023	$	-	-	-
Reclassification from property, plant and equipment		627,050	211,042	838,092
Balance at September 30, 2023	**$**	**627,050**	**211,042**	**838,092**
Depreciation:				
Balance at January 1, 2024	$	-	100,312	100,312
Depreciation		-	6,268	6,268
Reclassification from property, plant and equipment		-	12,371	12,371
Balance at September 30, 2024	**$**	**-**	**118,951**	**118,951**
Balance at January 1, 2023	$	-	-	-
Depreciation		-	1,833	1,833
Reclassification from property, plant and equipment		-	96,643	96,643
Balance at September 30, 2023	**$**	**-**	**98,476**	**98,476**
Carrying amounts:				
September 30, 2024	**$**	**636,494**	**118,570**	**755,064**
January 1, 2024	**$**	**627,050**	**110,730**	**737,780**
September 30, 2023	**$**	**627,050**	**112,566**	**739,616**

The fair value of investment property was not significantly different from those disclosed in note 6(g) of the consolidated financial statements for the year ended December 31, 2023.

None of the investment property of the Group was pledged or mortgaged as collateral for loans as of September 30, 2024, December 31, and September 30, 2023.

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(g) Other current or non-current assets

Current:

	September 30, 2024	December 31, 2023	September 30, 2023
Tax refund receivables	$ 251,530	225,889	301,617
Payment in advance	51,712	89,014	81,449
Prepaid expense	30,897	35,962	49,504
Prepaid value-added tax	70,423	168,732	94,490
Other financial assets-term deposits	3,339,889	4,868,900	2,287,425
Refundable deposits	3,830	4,209	4,954
Other financial assets-restricted demand deposits	726,640	-	-
Others	22,886	22,207	19,281
	$ 4,497,807	**5,414,913**	**2,838,720**

As of September 30, 2024, December 31, and September 30, 2023, the Group's other current assets were pledged as collateral to secure obligations related to natural gas, solar energy, and electricity. Additionally, certain demand deposits were earmarked by the bank to cover the payment of provisional income tax made via credit card. For further details, please refer to Note 8.

Non-current:

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments for business facilities	$ 39,834	116,447	102,683
Long-term prepaid expense	295,191	294,375	312,180
Prepayments for land purchase	-	736,375	748,006
Refundable deposits	4,791	5,400	6,900
Others	-	-	10
	$ 339,816	**1,152,597**	**1,169,779**

(h) Current borrowings

Details of current borrowings of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans	**$ 1,149,370**	**623,772**	**629,749**
Unused quota	**$ 5,232,464**	**6,009,793**	**6,306,859**
Range of interest rates	**5.19%~6.29%**	**5.71%~6.60%**	**5.40%~6.60%**

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For the nine months ended September 30, 2024, the Group incurred additional current borrowings of $1,992,996 thousand, with interest rates ranging from 5.19%~6.29% and maturing from March 2024 to July 2025. For the nine months ended September 30, 2024 and 2023, the Group repaid current borrowings of $1,467,398 thousand and $1,148,360 thousand, respectively.

None of the Group's assets were pledged as collaterals to secure current borrowings as of September 30, 2024, December 31, and September 30, 2023.

(i) Long-term borrowings

Details of long-term borrowings of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank loans - due by July 2024	$ -	562,925	699,183
Less: Maturing within one year	-	(562,925)	(699,183)
Total	**$ -**	**-**	**-**
Unused quota	**$ 150,000**	**150,000**	**150,000**
Range of interest rates	**-**	**5.60%~6.32%**	**5.60%~6.26%**

None of the Group's assets were pledged as collaterals to secure long-term borrowings as of September 30, 2024, December 31, and September 30, 2023.

(j) Employee benefits

(i) Defined benefit plans

Subsequent to December 31, 2023 and 2022 there were no apparent evidence of any material market volatility, material curtailment, reimbursement and settlement, or other material onetime events. Therefore, pension costs in the interim consolidated financial statements is measured and disclosed according to the respective actuarial report for the years ended December 31, 2023 and 2022.

The expenses (benefit) recognized for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Operating costs	$ (105)	284	(304)	848
Selling expense	(128)	(116)	(403)	(335)
Administrative expense	(148)	(82)	(438)	(261)
	$ (381)	**86**	**(1,145)**	**252**

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The Group's employee benefit liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Compensated absences liability	$ **80,409**	**62,149**	**70,264**

(ii) Defined contribution plans

The pension costs that were contributed to Bureau of Labor Insurance or local relevant authorities were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 22,722	13,153	46,588	39,554
Selling expense	5,959	5,862	17,686	17,472
Administrative expense	4,503	4,013	13,037	12,863
R&D expense	580	533	1,701	1,659
	$ **33,764**	**23,561**	**79,012**	**71,548**

(k) Income taxes

(i) The details of the Group's income tax expense were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Current tax expense				
Current period	$ 439,877	519,939	1,288,435	1,228,970
Adjustment for prior periods	3	(33,096)	(711)	(78,109)
	439,880	486,843	1,287,724	1,150,861
Deferred tax expense				
The occurrence and reversal of temporary differences	-	(102)	-	5,582
Income tax expense	$ **439,880**	**486,741**	**1,287,724**	**1,156,443**

(ii) The Company's income tax returns through 2021 have been examined by the R.O.C. tax authority.

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(l) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the nine months ended September 30, 2024 and 2023. For the related information, please refer to note 6 (o) of the consolidated financial statements for the year ended December 31, 2023.

(i) Retained earnings

According to the Company's articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside as legal reserve. The remaining portion is to be distributed upon a proposal by the board of directors.

In accordance with the Article 240, paragraph 5 of the Company Act and the Company's articles 37-1, the Company authorizes the Board of Directors, with the presence of more than two-thirds of the directors and the approval of a majority of the directors, to distribute all or part of the dividends and bonuses payable by way of cash, and to report to the shareholders' meeting. For the issuance of new shares, the proposal should be resolved during the shareholders' meeting.

The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than 50% of the net earnings of the current year after compensating for accumulated deficits, if any. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

Earnings distributions for 2023 and 2022 were proposed by the board of directors held on February 29, 2024 and March 2, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2023		2022	
	per share (in dollars)	amount	per share (in dollars)	amount
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 13.50	3,703,956	17.00	4,664,241

(ii) Other equity (net of income tax)

	Financial statements translation differences from foreign operations
Balance at January 1, 2024	$ 39,529
Exchange differences on translation of foreign financial statements	157,966
Balance at September 30, 2024	$ 197,495
Balance at January 1, 2023	$ 23,864
Exchange differences on translation of foreign financial statements	282,057
Balance at September 30, 2023	$ 305,921

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(m) Earnings per share

The basic and diluted earnings per share were calculated as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	$ 1,775,203	1,558,113	4,934,019	3,776,833
Weighted average number of ordinary shares outstanding (in thousands)	274,367	274,367	274,367	274,367
Basic earnings per share (in dollars)	$ 6.47	5.68	17.98	13.77
Diluted earnings per share				
Profit attributable to ordinary shareholder of the Company	$ 1,775,203	1,558,113	4,934,019	3,776,833
Weighted average number of ordinary shares outstanding (basic)(in thousands)	274,367	274,367	274,367	274,367
Effect on employee's profit-sharing bonus (in thousands)	3	4	3	4
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	274,370	274,371	274,370	274,371
Diluted earnings per share (in dollars)	$ 6.47	5.68	17.98	13.77

(n) Revenue from contracts with customers

	For the three months ended September 30, 2024		For the three months ended September 30, 2023	
	Knitted fabrics	Clothing	Knitted fabrics	Clothing
Main market：				
Americas	$ 170,161	5,104,297	269,542	3,413,194
Asia	3,022,601	484,552	2,565,824	385,323
Europe	9,119	779,220	8,721	855,283
the Middle East	291,421	30,603	358,214	16,449
ANZ	480	76,028	937	70,838
Africa	54,632	8,596	22,428	6,055
	$ 3,548,414	6,483,296	3,225,666	4,747,142

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	For the three months ended September 30, 2024	For the three months ended September 30, 2023
Main product：		
Knitted fabrics	$ 3,548,414	3,225,666
Clothing	6,483,296	4,747,142
	$ 10,031,710	7,972,808

	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
	Knitted fabrics	Clothing	Knitted fabrics	Clothing
Main market：				
Americas	$ 588,751	12,744,905	706,588	9,882,732
Asia	8,509,190	1,516,277	6,445,819	1,322,960
Europe	27,104	2,482,196	26,018	2,555,652
the Middle East	829,379	74,112	860,702	66,971
ANZ	994	201,624	2,667	199,292
Africa	252,802	30,291	191,942	30,185
	$ 10,208,220	17,049,405	8,233,736	14,057,792

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Main product:		
Knitted fabrics	$ 10,208,220	8,233,736
Clothing	17,049,405	14,057,792
	$ 27,257,625	22,291,528

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(o) Employees' profit sharing bonus

The Company's articles of incorporation require where the Company has a profit in current year, if there is surplus after covering the accumulated loss, no less than 0.1% shall be appropriated for the employee's compensation for the distribution according to the resolution of the Board of Directors' meeting, and be reported to the shareholders' meeting. The distribution of employee's compensation may be made in the form of shares or cash.

For the nine months ended September 30, 2024 and 2023, the employee profit sharing bonuses were calculated based on the Company's profit excluding tax as well as employee profit sharing bonus and earnings allocation a minimum of 0.1% as stated under the Company's articles of incorporation. We did not estimate the liabilities due to the minor estimated expense for the nine months ended September 30, 2024 and 2023. The differences between the amounts approved in the shareholders' meeting and those recognized in the consolidated financial statements, if any, are accounted for as a change in accounting estimate and recognized as profit or loss in the following year.

The estimated employee's profit sharing bonuses amounted to $7,000 thousand and $9,000 thousand for 2023 and 2022, respectively. There were no differences between the estimated and the distributed employee's profit-sharing bonuses, the related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

(p) Non-operating income and expenses

(i) Interest income
The Group's interest income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Interest income from bank deposits	$ 15,433	11,533	72,197	74,811

(ii) Other income
The Group's other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Rental income	$ 7,979	7,296	23,306	17,238

(iii) Other gains and losses, net

The Group's other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Gain (loss) on disposal of property, plant and equipment	$ 1,008	(1)	1,508	(182)
Gain on disposal of non-current assets held for sale	-	-	56,697	-
Foreign exchange gain (loss)	(105,273)	222,758	223,655	319,696
Others	5,011	6,989	17,243	10,038
	$ (99,254)	**229,746**	**299,103**	**329,552**

(iv) Finance costs

The Group's finance costs were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Interest expense				
Bank borrowings	$ 17,968	23,803	56,994	95,406
Lease liabilities	438	158	1,319	1,145
	$ 18,406	**23,961**	**58,313**	**96,551**

(q) Financial instruments

There were no material changes of financial instruments for the nine months ended September 30, 2024 and 2023 except for followings. Please refer to note 6 (t) of the consolidated financial report of 2023 for further information.

(i) Market risks

1) Foreign currency risk

The Group's significant exposure to foreign currency risks was as follows:

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	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 268,454	31.650	8,496,569	232,592	30.705	7,141,737	226,089	32.270	7,295,892
Financial liabilities									
Monetary items									
USD	$ 113,507	31.650	3,592,497	95,569	30.705	2,934,446	83,980	32.270	2,710,035

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, current borrowings, long-term borrowings, accounts payable and other payables. A 1% depreciation or appreciation of the NTD against the USD as of September 30, 2024 and 2023 would have increased or decreased the net income after tax by $39,233 thousand and $36,687 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis was based on the same basis.

3) Foreign currency gain or loss on monetary items

The amounts of conversion gains and losses (including realized and unrealized) of monetary items of the Group which was converted into functional currency (that was the Group's expression currency), and the exchange rate information converted to the Company's functional currency, NTD, were as follows:

	For the nine months ended September 30			
	2024		2023	
	Exchange (loss) gain	Average rate	Exchange (loss) gain	Average rate
USD	$ 223,655	32.034	319,696	30.928

(ii) Interest rate risk

The Group's exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk part of this note.

The following sensitivity analysis is determined through the exposure to interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

If the interest rate increases/decreases by 1%, the Group's net income will decrease/increase by $11,494 thousand and $13,289 thousand for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors that remain constant. This was mainly due to the Group's borrowings in variable rates.

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(iii) Fair value

The Group's management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

(r) Financial risk management

The objectives and the policies of the financial risk management are consistent with those disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(s) Capital management

The objectives, policies, and procedures of the Group's capital management are the same as those stated in the consolidated financial statements for the year ended December 31, 2023. There was no material change on quantitative data of the capital management. For relevant information, please refer to note 6(v) of the consolidated statements for the year ended December 31, 2023.

(7) Related party transactions

(a) Names and relationship of related parties

The Group had transactions with related party during the periods covered in the consolidated financial statements were as follows:

Name of related parties	**Relationship with the Group**
Yih-Yuan Investment Corp.	The entity's chairman was related to the former chairman of the Company within the second degree of kinship, after the board re-election on June 12, 2024, they are no longer considered related parties.
Eclat Education Foundation (Eclat Foundation)	Founded by donation of the Company

(b) Material transactions among related parties

The Group's purchases and processes from related party were as follows:

(i) Receivables from related parties

The Group's receivables from related parties were as follows:

Account	**Types of related parties**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**
Notes receivable	Other related parties	$ -	-	26

(ii) Leases

Types of related parties	**For the three months ended September 30**		**For the nine months ended September 30**	
	2024	**2023**	**2024**	**2023**
Other related parties	$ -	75	150	225

The Group charged their rentals based on the local market prices which were paid monthly.

(iii) Others

Name of related parties	Donations: For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Eclat Foundation	$ -	-	2,000	2,153

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Short-term employee benefits	$ 13,805	8,095	174,337	143,939

Cars provided to key management personnel were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Cost	$ 20,227	30,894	30,894
Quantities	7	9	9
Book value	$ 11,580	13,496	14,480

(8) Pledged assets

The Group’s pledged assets were as follows:

Pledged assets	Pledged to secure	September 30, 2024	December 31, 2023	September 30, 2023
Other financial assets - current	Natural gas, solar energy and electricity security deposit	$ 1,159	1,124	4,954
Other financial assets - current	Demand deposits earmarked by bank	726,640	-	-
		$ 727,799	1,124	4,954

(9) Commitments and contingencies

(a) The balances of unused letters of credit of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Unused letters of credit	$ 48,666	7,815	9,759

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(b) Significant unrecognized commitments of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Contract for building construction and machinery	$ 122,903	313,622	237,256

(c) The balances of issued promissory notes of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Issued promissory notes	$ 20,000	20,000	-

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) The Group's employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

By function	For the three months ended September 30, 2024				For the three months ended September 30, 2023			
By item	Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefits								
Salary	872,540	494,440	-	1,366,980	653,318	435,746	-	1,089,064
Labor and health insurance	86,681	31,312	-	117,993	71,742	29,299	-	101,041
Pension	22,617	10,766	-	33,383	13,437	10,210	-	23,647
Director's remuneration	-	2,404	-	2,404	-	1,902	-	1,902
Others	49,004	22,742	-	71,746	35,932	17,638	-	53,570
Depreciation	159,703	65,651	331	225,685	151,333	64,362	331	216,026
Amortization	2,605	4,012	-	6,617	2,641	2,694	-	5,335

By function	For the nine months ended September 30, 2024				For the nine months ended September 30, 2023			
By item	Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefits								
Salary	2,282,042	1,348,985	-	3,631,027	1,902,560	1,172,069	-	3,074,629
Labor and health insurance	226,330	101,556	-	327,886	213,041	98,758	-	311,799
Pension	46,284	31,583	-	77,867	40,402	31,398	-	71,800
Director's remuneration	-	7,448	-	7,448	-	5,466	-	5,466
Others	125,268	61,712	-	186,980	104,519	51,983	-	156,502
Depreciation	458,021	194,369	993	653,383	446,791	193,173	993	640,957
Amortization	7,611	11,659	-	19,270	7,607	8,353	-	15,960

(b) Seasonality of operations

The operation of the Group was not materially influenced by seasonality and periodicity.

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(13) Other disclosures

(a) Information on significant transactions

The followings were the disclosures on significant transactions required under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2024:

(i) Loans to other parties:

No.	Name of lender	Name of borrower (Note 4)	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
0	The Company	Fabrics	Other receivables	Yes	876,120	633,000	63,300	5.60%	2	-	Operating capital	-	-	-	2,705,886	5,411,773
0	The Company	Eclat Textile (ID)	Other receivables	Yes	2,159,010	1,424,250	857,715	4.95%~5.56%	2	-	Operating capital	-	-	-	2,705,886	5,411,773

Note 1: The total amount available for financing purposes shall not exceed 40% of the Company's net worth. For entities that the Company has business with, the total amount available for financing shall not exceed 20% of the Company's net worth; and for each entity that the Company has business with, the amount available for financing shall not exceed the transaction amount within 12 months and 10% of the Company's net worth. The total amount for short-term financing shall not exceed 20% of the Company's net worth; and for each entity the amount available for short-term financing shall not exceed 10% of the Company's net worth.

Note 2: Approved by BOD

Note 3: Nature of financing: 1. Business transaction purpose. 2. Short-term financing purpose.

Note 4: Transaction listed above has been eliminated during preparing consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

(iii) The securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the Company's paid-in capital: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the Company's paid-in capital: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the Company's paid-in capital: None.

(vii) Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the Company's paid-in capital:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	Note
The Company	Eclat Textile (VN)	Indirectly held subsidiaries	processing	1,137,855	16.01 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (61,937)	(2.43)%	(Note) (Note 1)
Eclat Textile (VN)	The Company	Parent company	(sales)	(1,137,855)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 61,937	100.00 %	(Note 1)
The Company	Fabrics	Indirectly held subsidiaries	purchasing	1,831,446	14.93 %	30	(Note 2)	(Note 2)	Accounts payable (86,918)	(3.41)%	(Note 1)
Fabrics	The Company	Parent company	(sales)	(1,831,446)	(92.43)%	30	(Note 2)	(Note 2)	Accounts receivable 86,918	71.28 %	(Note 1)
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	697,153	9.81 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (37,141)	(1.46)%	(Note) (Note 1)
E-TOP (VN)	The Company	Parent company	(sales)	(697,153)	(96.84)%	30	(Note 2)	(Note 2)	Accounts receivable 37,141	92.57 %	(Note 1)

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Colltex	Indirectly held subsidiaries	processing	491,453	6.92 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (43,358)	(1.70)%	(Note) (Note 1)
Colltex	The Company	Parent company	(sales)	(491,453)	(97.56)%	30	(Note 2)	(Note 2)	Accounts receivable 43,358	100.00 %	(Note 1)
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	329,543	4.64 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (21,349)	(0.84)%	(Note) (Note 1)
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(329,543)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 21,349	100.00 %	(Note 1)
The Company	Tai-Yuan (VN)	Indirectly held subsidiaries	processing	234,066	3.29 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (7,299)	(0.29)%	(Note) (Note 1)
Tai-Yuan (VN)	The Company	Parent company	(sales)	(234,066)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 7,299	93.05 %	(Note 1)
The Company	Eclat Textile(ID)	Subsidiaries	processing	647,247	9.11 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (33,618)	(1.32)%	(Note) (Note 1)
Eclat Textile(ID)	The Company	Parent company	(sales)	(647,247)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 33,618	100.00 %	(Note 1)

Note: Percentage on processing expense
Note 1: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 2: The same as general processing/purchasing/sales

(viii)Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the Company's paid in capital:

(In thousands of NTD/USD)

Name of Company	Name of counterparty	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Eclat Textile(ID)	Subsidiaries	865,103 (USD27,333)	(Note 3)	-	-	367,164 (USD11,601)	-	(Note1) (Note2)

Note 1: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 2: The rate as of September 30, 2024 was USD 1 to NTD 31.650.
Note 3: It is the amount due from loan to other receivable parties, so there is no need to calculate turnover rate.

(ix) Trading in derivative financial instruments: None.

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Company name	Counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial statements item (Note 3)(Note 4)	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The company	Eclat Textile (ID)	1	Other receivables	865,103	Loan	2.57 %
1	Fabrics	The Company	2	Sales	1,831,446	The same as general sales	6.72 %
2	Eclat Textile (VN)	The Company	2	Processing revenue	1,137,855	The same as general processing	4.17 %
3	Colltex	The Company	2	Processing revenue	491,453	The same as general processing	1.80 %

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No. (Note 1)	Company name	Counter-party	Nature of relationship (Note 2)	Intercompany transactions: Financial statements item (Note 3)(Note 4)	Amount	Terms	Percentage of the consolidated net revenue or total assets
4	E-TOP(VN)	The Company	2	Processing revenue	697,153	The same as general processing	2.56 %
5	Eclat Textile (Cambodia)	The Company	2	Processing revenue	329,543	The same as general processing	1.21 %
6	Tai-Yuan(VN)	The Company	2	Processing revenue	234,066	The same as general processing	0.86 %
7	Eclat Textile (ID)	The Company	2	Processing revenue	647,247	The same as general processing	2.37 %

Note 1: Numbers are filled in as follows:
1. 0 represents the parent company.
2. Subsidiaries are numbered from 1.

Note 2: Classification of relation with counterparty is listed as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

Note 3: Only disclosed the amount of important transactions over NT$100 million, no need to disclosed corresponding transactions.

Note 4: Transaction listed above has been eliminated during preparing consolidated financial statements.

(b) Information on investees:

The following were the information on investment for the nine months ended September 30, 2024 (excluding these in Mainland China):

(In thousands of NTD/USD)

Investor company	Investee company	Location	Main businesses and products	Original investment amount: September 30, 2024	Original investment amount: December 31, 2023	Balance as of September 30, 2024: Shares (thousands)	Balance as of September 30, 2024: Percentage of ownership	Balance as of September 30, 2024: Carrying value (Note 4)	Net income (losses) of the investee	Share of profits/losses of investee	Note
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	269,658 (USD 8,520)	269,658 (USD 8,520)	21	100.00 %	195,642	14,632	14,632	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	3,969,100 (USD 125,406)	3,969,100 (USD 125,406)	121,080	100.00 %	4,318,588	252,129	252,129	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	1,582,500 (USD 50,000)	1,582,500 (USD 50,000)	5,000	100.00 %	1,074,278	(49,406)	(49,406)	Subsidiaries (Note 1)(Note 2) (Note 3)
Grand Elite	Eclat Textile (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	253,200 (USD 8,000)	253,200 (USD 8,000)	8,000	100.00 %	177,403	14,515	14,515	Subsidiaries of Grand Elite (Note 1)(Note 2)
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	504,976 (USD 15,955)	504,976 (USD 15,955)	16,800	100.00 %	573,775	25,455	24,313	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E-TOP(VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,139,400 (USD 36,000)	1,139,400 (USD 36,000)	36,000	100.00 %	1,260,265	69,382	69,382	Subsidiaries of Eclat Cayman (Note 1)(Note 2)

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Investor company	Investee company	Location	Main businesses and products	Original investment amount: September 30, 2024	Original investment amount: December 31, 2023	Balance as of September 30, 2024: Shares (thousands)	Balance as of September 30, 2024: Percentage of ownership	Balance as of September 30, 2024: Carrying value (Note 4)	Net income (losses) of the investee	Share of profits/losses of investee	Note
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	32 (USD 1)	32 (USD 1)	1	100.00 %	(1,888)	330	330	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Eclat Textile (VN)	Vietnam	Design, manufacture, processing and sale of clothing	670,062 (USD 21,171)	670,062 (USD 21,171)	22,000	100.00 %	710,242	4,275	4,275	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,266,000 (USD 40,000)	1,266,000 (USD 40,000)	40,000	100.00 %	1,781,060	113,163	110,357	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Tai - Yuan(VN)	Vietnam	Design, manufacture, processing and sale of clothing	218,860 (USD 6,915)	218,860 (USD 6,915)	6,800	100.00 %	(10,211)	43,349	43,125	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	31,650 (USD 1,000)	31,650 (USD 1,000)	1,000	40.00 %	-	-	-	Invested company under equity method (Note 1)
Eclat Cayman	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	6 (USD 0.20)	6 (USD 0.20)	0.02	- %	4	(49,406)	-	Subsidiaries (Note 1)(Note 2) (Note 3)

Note 1: The rate as of September 30, 2024 was USD 1 to NTD 31.650.
Note 2: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 3: Eclat Textile (ID) was mutually set up by the Company and Eclat Cayman. The shareholding ratios are 99.9996% and 0.0004%, respectively.
Note 4: Accumulated translation is included.

(c) Information on investment in Mainland China: None.

(d) Major shareholders:

(Unit: Share)

Shareholding / Shareholder's Name	Shares	Percentage
Yih-Yuan Investment Corp.	25,790,335	9.39 %
Nu Dan Co., Ltd.- Hsien Chin Tsai	14,000,000	5.10 %

Note: (i) The main shareholder information in this table was calculated by the insurance company Taiwan Depository & Clearing Corporation (TDCC) on the last business day at the end of each quarter, the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company without physical registration has reached more than 5%. As for the share capital recorded in the company's financial report and the number of shares actually delivered by the company without physical registration, there may be differences due to the different calculation basis.

(ii) The information on the opening of the shareholder's shareholding and delivery of the trust to the trust was disclosed by the individual trustee who opened the trust account. As for shareholders who handle the declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their shareholdings plus their delivery to the trust and the use of decision making shares in the trust property, please refer to the Market Observation Post System for information on insider equity declaration.

(14) Segment information

The reconciliation of operating segments of the Group were as follows:

	For the three months ended September 30, 2024			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 3,548,414	6,483,296	-	10,031,710
Inter-segments	1,458,499	1,239,602	(2,698,101)	-
Total revenue	**$ 5,006,913**	**7,722,898**	**(2,698,101)**	**10,031,710**
Profit or loss from reportable segment	**$ 898,364**	**1,426,360**	**(109,641)**	**2,215,083**

	For the three months ended September 30, 2023			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 3,225,666	4,747,142	-	7,972,808
Inter-segments	1,179,693	916,873	(2,096,566)	-
Total revenue	**$ 4,405,359**	**5,664,015**	**(2,096,566)**	**7,972,808**
Profit or loss from reportable segment	**$ 985,477**	**1,149,489**	**(90,112)**	**2,044,854**

	For the nine months ended September 30, 2024			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 10,208,220	17,049,405	-	27,257,625
Inter-segments	4,140,484	3,555,843	(7,696,327)	-
Total revenue	**$ 14,348,704**	**20,605,248**	**(7,696,327)**	**27,257,625**
Profit or loss from reportable segment	**$ 2,844,185**	**3,594,914**	**(217,356)**	**6,221,743**

	For the nine months ended September 30, 2023			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 8,233,736	14,057,792	-	22,291,528
Inter-segment	3,831,250	2,745,836	(6,577,086)	-
Total revenue	**$ 12,064,986**	**16,803,628**	**(6,577,086)**	**22,291,528**
Profit or loss from reportable segment	**$ 2,107,130**	**2,827,594**	**(1,448)**	**4,933,276**