

**Paiho Shih Holdings Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Paiho Shih Holdings Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Paiho Shih Holdings Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally 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.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,962,691	10	\$ 1,452,702	8	\$ 2,360,859	12
Financial assets at amortized cost - current (Notes 7 and 27)	-	-	330,063	2	279,064	1
Notes receivable (Note 8)	3,293	-	2,164	-	1,325	-
Trade receivables (Note 8)	1,478,976	8	1,004,503	5	1,197,735	6
Trade receivables - related parties (Notes 8 and 26)	6,728	-	8,367	-	5,030	-
Other receivables (Note 26)	35,526	-	19,914	-	27,345	-
Inventories - manufacturing (Note 9)	1,219,773	7	1,191,975	7	1,147,515	6
Inventories - constructing (Note 9)	1,903,372	10	2,140,005	12	2,218,211	12
Other current assets (Note 15)	438,007	2	724,981	4	670,915	4
Total current assets	<u>7,048,366</u>	<u>37</u>	<u>6,874,674</u>	<u>38</u>	<u>7,907,999</u>	<u>41</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 7 and 27)	62,505	-	9,842	-	72,212	-
Property, plant and equipment (Notes 11 and 22)	7,280,392	39	9,699,733	54	9,914,521	52
Right-of-use assets (Note 12)	616,080	3	934,158	5	968,878	5
Investment properties (Note 13)	3,464,081	19	92,256	1	62,369	-
Goodwill (Note 14)	143,581	1	138,427	1	145,250	1
Other intangible assets	1,135	-	1,176	-	7,153	-
Deferred tax assets (Note 23)	63,686	-	83,954	-	112,911	1
Prepayments for machinery and equipment	156,541	1	84,931	1	41,541	-
Other non-current assets (Note 15)	26,593	-	23,910	-	24,999	-
Total non-current assets	<u>11,814,594</u>	<u>63</u>	<u>11,068,387</u>	<u>62</u>	<u>11,349,834</u>	<u>59</u>
TOTAL	<u>\$ 18,862,960</u>	<u>100</u>	<u>\$ 17,943,061</u>	<u>100</u>	<u>\$ 19,257,833</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 27)	\$ 6,874,171	36	\$ 7,794,154	44	\$ 7,981,726	42
Contract liabilities - current (Note 21)	15,714	-	15,121	-	16,999	-
Trade payables	355,202	2	300,762	2	317,325	2
Trade payables - related parties (Note 26)	53,330	-	44,813	-	43,469	-
Other payables (Notes 17 and 26)	524,613	3	750,071	4	553,873	3
Current tax liabilities (Note 23)	44,685	-	33,565	-	17,882	-
Lease liabilities - current (Note 12)	717	-	-	-	229	-
Current portion of long-term borrowings (Notes 16 and 27)	330,245	2	22,992	-	261,580	1
Other current liabilities	18,235	-	12,046	-	16,878	-
Total current liabilities	<u>8,216,912</u>	<u>43</u>	<u>8,973,524</u>	<u>50</u>	<u>9,209,961</u>	<u>48</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16 and 27)	3,258,890	17	3,367,678	19	4,167,471	22
Deferred tax liabilities (Note 23)	553,310	3	507,447	3	551,623	3
Lease liabilities - non-current (Note 12)	183	-	-	-	-	-
Deferred revenue - non-current	116,505	1	117,007	-	121,269	-
Net defined benefit liabilities - non-current (Note 18)	147,437	1	132,861	1	156,672	1
Guarantee deposits received	16,562	-	12,480	-	12,018	-
Total non-current liabilities	<u>4,092,887</u>	<u>22</u>	<u>4,137,473</u>	<u>23</u>	<u>5,009,053</u>	<u>26</u>
Total liabilities	<u>12,309,799</u>	<u>65</u>	<u>13,110,997</u>	<u>73</u>	<u>14,219,014</u>	<u>74</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Common stock	3,999,370	21	3,309,370	18	3,309,370	17
Shares received in advance	-	-	69,599	-	-	-
Capital surplus	1,015,572	6	466,677	3	456,751	2
Retained earnings						
Special reserve	715,193	4	568,162	3	568,162	3
Unappropriated earnings	1,316,722	7	1,133,027	7	1,304,167	7
Other equity	(494,166)	(3)	(715,193)	(4)	(600,081)	(3)
Total equity attributable to owners of the Corporation	<u>6,552,691</u>	<u>35</u>	<u>4,831,642</u>	<u>27</u>	<u>5,038,369</u>	<u>26</u>
NON-CONTROLLING INTERESTS	<u>470</u>	<u>-</u>	<u>422</u>	<u>-</u>	<u>450</u>	<u>-</u>
Total equity	<u>6,553,161</u>	<u>35</u>	<u>4,832,064</u>	<u>27</u>	<u>5,038,819</u>	<u>26</u>
TOTAL	<u>\$ 18,862,960</u>	<u>100</u>	<u>\$ 17,943,061</u>	<u>100</u>	<u>\$ 19,257,833</u>	<u>100</u>

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except 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	%
SALES (Notes 21 and 26)	\$ 1,970,459	100	\$ 1,547,737	100	\$ 5,237,046	100	\$ 3,906,081	100
COST OF GOODS SOLD (Notes 9, 21, 22 and 26)	<u>1,190,074</u>	<u>60</u>	<u>1,033,294</u>	<u>67</u>	<u>3,253,174</u>	<u>62</u>	<u>2,779,120</u>	<u>71</u>
GROSS PROFIT	<u>780,385</u>	<u>40</u>	<u>514,443</u>	<u>33</u>	<u>1,983,872</u>	<u>38</u>	<u>1,126,961</u>	<u>29</u>
OPERATING EXPENSES (Notes 22 and 26)								
Selling and marketing expenses	133,600	7	140,487	9	373,820	7	419,175	11
General and administrative expenses	173,029	9	154,333	10	513,447	10	473,796	12
Research and development expenses	100,131	5	90,428	6	269,300	5	289,118	7
Expected credit loss recognized (reversed) on trade receivables (Note 8)	<u>130</u>	<u>-</u>	<u>(2,947)</u>	<u>(1)</u>	<u>3,823</u>	<u>-</u>	<u>16,278</u>	<u>1</u>
Total operating expenses	<u>406,890</u>	<u>21</u>	<u>382,301</u>	<u>24</u>	<u>1,160,390</u>	<u>22</u>	<u>1,198,367</u>	<u>31</u>
PROFIT (LOSS) FROM OPERATIONS	<u>373,495</u>	<u>19</u>	<u>132,142</u>	<u>9</u>	<u>823,482</u>	<u>16</u>	<u>(71,406)</u>	<u>(2)</u>
NON-OPERATING INCOME AND EXPENSES								
Subsidy revenue	4,625	-	2,423	-	15,260	-	12,048	-
Finance costs (Note 22)	(164,000)	(8)	(132,049)	(8)	(379,969)	(7)	(375,636)	(10)
Interest income	6,533	-	6,946	-	24,400	-	19,918	1
Other income (Note 26)	17,853	1	17,317	1	39,917	1	29,928	1
Other expenses (Note 22)	(18,227)	(1)	(23,323)	(1)	(32,430)	(1)	(36,157)	(1)
Net gain (loss) on disposal of property, plant and equipment	66	-	27	-	(745)	-	(1,764)	-
Net loss on foreign exchange (Note 22)	<u>(315)</u>	<u>-</u>	<u>(11,619)</u>	<u>(1)</u>	<u>(12,740)</u>	<u>-</u>	<u>(11,432)</u>	<u>-</u>
Total non-operating income and expenses	<u>(153,465)</u>	<u>(8)</u>	<u>(140,278)</u>	<u>(9)</u>	<u>(346,307)</u>	<u>(7)</u>	<u>(363,095)</u>	<u>(9)</u>
PROFIT (LOSS) BEFORE INCOME TAX	220,030	11	(8,136)	-	477,175	9	(434,501)	(11)
INCOME TAX EXPENSE (Note 23)	<u>79,508</u>	<u>4</u>	<u>11,743</u>	<u>1</u>	<u>146,420</u>	<u>2</u>	<u>2,108</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>140,522</u>	<u>7</u>	<u>(19,879)</u>	<u>(1)</u>	<u>330,755</u>	<u>7</u>	<u>(436,609)</u>	<u>(11)</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Foreign exchange differences on translation to presentation currency	(161,341)	(8)	184,701	12	154,003	3	248,435	6

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except 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	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 207,157	10	\$ (15,100)	(1)	\$ 67,043	1	\$ (280,359)	(7)
Other comprehensive income(loss) for the period	45,816	2	169,601	11	221,046	4	(31,924)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 186,338	9	\$ 149,722	10	\$ 551,801	11	\$ (468,533)	(12)
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 140,509	7	\$ (19,879)	(1)	\$ 330,726	6	\$ (436,564)	(11)
Non-controlling interests	13	-	-	-	29	-	(45)	-
	<u>\$ 140,522</u>	<u>7</u>	<u>\$ (19,879)</u>	<u>(1)</u>	<u>\$ 330,755</u>	<u>6</u>	<u>\$ (436,609)</u>	<u>(11)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 186,316	9	\$ 149,708	10	\$ 551,753	11	\$ (468,483)	(12)
Non-controlling interests	22	-	14	-	48	-	(50)	-
	<u>\$ 186,338</u>	<u>9</u>	<u>\$ 149,722</u>	<u>10</u>	<u>\$ 551,801</u>	<u>11</u>	<u>\$ (468,533)</u>	<u>(12)</u>
EARNINGS (LOSS) PER SHARE (Note 24)								
Basic	<u>\$ 0.35</u>		<u>\$ (0.06)</u>		<u>\$ 0.84</u>		<u>\$ (1.32)</u>	
Diluted	<u>\$ 0.35</u>		<u>\$ (0.06)</u>		<u>\$ 0.84</u>		<u>\$ (1.32)</u>	

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation						Total	Non-controlling Interests	Total Equity
	Common Stock (Note 20)	Advance Receipts of Shares (Note 20)	Capital Surplus (Note 20)	Retained Earnings (Note 20)		Exchange Differences on Translating Foreign Operations			
				Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2023	\$ 3,151,781	\$ -	\$ 456,751	\$ 497,668	\$ 2,031,850	\$ (568,162)	\$ 5,569,888	\$ 500	\$ 5,570,388
Appropriation of 2022 earnings									
Special reserve	-	-	-	70,494	(70,494)	-	-	-	-
Cash dividend	-	-	-	-	(63,036)	-	(63,036)	-	(63,036)
Share dividends	157,589	-	-	-	(157,589)	-	-	-	-
Net loss for the nine months ended September, 2023	-	-	-	-	(436,564)	-	(436,564)	(45)	(436,609)
Other comprehensive loss for the nine months ended September 30, 2023	-	-	-	-	-	(31,919)	(31,919)	(5)	(31,924)
Total comprehensive loss for the nine months ended September 30, 2023	-	-	-	-	(436,564)	(31,919)	(468,483)	(50)	(468,533)
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 3,309,370</u>	<u>\$ -</u>	<u>\$ 456,751</u>	<u>\$ 568,162</u>	<u>\$ 1,304,167</u>	<u>\$ (600,081)</u>	<u>\$ 5,038,369</u>	<u>\$ 450</u>	<u>\$ 5,038,819</u>
BALANCE AT JANUARY 1, 2024	\$ 3,309,370	\$ 69,599	\$ 466,677	\$ 568,162	\$ 1,133,027	\$ (715,193)	\$ 4,831,642	\$ 422	\$ 4,832,064
Issuance of ordinary shares for cash	690,000	(69,599)	548,895	-	-	-	1,169,296	-	1,169,296
Appropriation of 2023 earnings									
Special reserve	-	-	-	147,031	(147,031)	-	-	-	-
Net profit for the nine months ended September 30, 2024	-	-	-	-	330,726	-	330,726	29	330,755
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	221,027	221,027	19	221,046
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	330,726	221,027	551,753	48	551,801
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 3,999,370</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 715,193</u>	<u>\$ 1,316,722</u>	<u>\$ (494,166)</u>	<u>\$ 6,552,691</u>	<u>\$ 470</u>	<u>\$ 6,553,161</u>

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 477,175	\$ (434,501)
Adjustments for:		
Depreciation expense	575,903	559,570
Amortization expense	93	594
Expected credit loss recognized on trade receivables	3,823	16,278
Finance costs	379,969	375,636
Interest income	(24,400)	(19,918)
Loss on disposal of property, plant and equipment	745	1,764
Write-downs of inventories	44,751	92,982
Net loss on foreign currency exchange	22,479	14,643
Others	(5,701)	(5,850)
Changes in operating assets and liabilities		
Notes receivable	(1,075)	(1,100)
Trade receivables	(447,016)	(102,009)
Other receivables	(12,054)	(21,707)
Inventories - manufacturing	(25,172)	110,601
Inventories - constructing	37,143	(3,179)
Other current assets	317,491	(21,134)
Contract liabilities	(6)	(12,640)
Trade payables	35,493	(139,397)
Other payables	(25,976)	(207,656)
Other current liabilities	3,612	(5,290)
Net defined benefit liabilities	10,614	19,799
Cash generated from operations	<u>1,367,891</u>	217,486
Interest received	24,400	19,918
Interest paid	(388,856)	(373,684)
Income tax paid	<u>(141,079)</u>	<u>(263,187)</u>
Net cash generated from (used in) operating activities	<u>862,356</u>	<u>(399,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(56,038)	(269,644)
Proceeds from disposal of financial assets at amortized cost	348,265	47,217
Payments for property, plant and equipment	(661,852)	(774,991)
Payments for investment properties	(2,998)	-
Proceeds from disposal of property, plant and equipment	158	18,099
Decrease in refundable deposits	848	5,292
Decrease (increase) in other non-current assets	(1,383)	313
Increase in prepayments for machinery and equipment	<u>(159,247)</u>	<u>(34,164)</u>
Net cash used in investing activities	<u>(532,247)</u>	<u>(1,007,878)</u>

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments of) from short-term borrowings	\$ (1,235,740)	\$ 1,961,463
Proceeds from long-term borrowings	211,718	2,657,650
Repayments of long-term borrowings	(135,906)	(2,509,293)
Refund of guarantee deposits received	3,742	741
Repayment of the principal portion of lease liabilities	(511)	(970)
Dividends paid to owners of the Corporation	-	(63,036)
Proceeds from issuance of ordinary shares	<u>1,169,296</u>	<u>-</u>
Net cash generated from financing activities	<u>12,599</u>	<u>2,046,555</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>167,281</u>	<u>81,715</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	509,989	720,925
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,452,702</u>	<u>1,639,934</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,962,691</u>	<u>\$ 2,360,859</u>

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

(Concluded)

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Paiho Shih Holdings Corporation (the “Corporation”) was incorporated on November 6, 2006. It was established in the Cayman Islands and its main business is international investment.

The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since May 18, 2011.

The functional currency of the Corporation is the United States dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements of the Corporation and its subsidiaries (collectively, the “Group”) are presented in New Taiwan dollars since the Corporation’s shares are listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on November 7, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the “Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - 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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 10, Tables 8 and 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policy information

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

2) Retirement benefits

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 plan amendments, settlements, or other significant one-off events.

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Petty cash and cash on hand	\$ 18,638	\$ 10,293	\$ 12,185
Checking accounts and demand deposits	1,449,442	956,338	1,215,422
Cash equivalents (deposit accounts with original maturities of 3 months or less)	<u>494,611</u>	<u>486,071</u>	<u>1,133,252</u>
	<u>\$ 1,962,691</u>	<u>\$ 1,452,702</u>	<u>\$ 2,360,859</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Restricted deposits	<u>\$ -</u>	<u>\$ 330,063</u>	<u>\$ 279,064</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 62,505</u>	<u>\$ 9,842</u>	<u>\$ 72,212</u>

Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost	<u>\$ 3,293</u>	<u>\$ 2,164</u>	<u>\$ 1,325</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,493,084	\$ 1,016,276	\$ 1,220,206
Less: Allowance for impairment loss	<u>(7,380)</u>	<u>(3,406)</u>	<u>(17,441)</u>
	<u>\$ 1,485,704</u>	<u>\$ 1,012,870</u>	<u>\$ 1,202,765</u>

The average credit period of sales of goods is 30 to 90 days. No interest was charged on trade receivables. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Lifetime ECLs are calculated using provision matrix, factoring into past default history and current financial standing of the customers, as well as industry condition and prospects. Based on the credit loss history, in terms of loss patterns, there have not been significant differences across the customer groups for the Group; therefore, a unified expected credit loss rate using the number of days overdue was determined, without assigning a provision matrix for individual customer group.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group does not have overdue notes receivable. The movements of the loss allowance of trade receivables were as follows:

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
<u>September 30, 2024</u>						
Expected credit loss rate	0.0005%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,454,367	\$ 23,700	\$ 3,159	\$ 2,064	\$ 9,794	\$ 1,493,084
Loss allowance (Lifetime ECLs)	<u>(7)</u>	<u>(1,185)</u>	<u>(158)</u>	<u>(103)</u>	<u>(5,927)</u>	<u>(7,380)</u>
Amortized cost	<u>\$ 1,454,360</u>	<u>\$ 22,515</u>	<u>\$ 3,001</u>	<u>\$ 1,961</u>	<u>\$ 3,867</u>	<u>\$ 1,485,704</u>
<u>December 31, 2023</u>						
Expected credit loss rate	0.0026%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 982,962	\$ 19,607	\$ 3,349	\$ 1,602	\$ 8,756	\$ 1,016,276
Loss allowance (Lifetime ECLs)	<u>(26)</u>	<u>(980)</u>	<u>(167)</u>	<u>(80)</u>	<u>(2,153)</u>	<u>(3,406)</u>
Amortized cost	<u>\$ 982,936</u>	<u>\$ 18,627</u>	<u>\$ 3,182</u>	<u>\$ 1,522</u>	<u>\$ 6,603</u>	<u>\$ 1,012,870</u>
<u>September 30, 2023</u>						
Expected credit loss rate	0.04%-3%	0.04%-10%	0.04%-22%	0.04%-41%	0.04%-100%	
Gross carrying amount	\$ 1,131,564	\$ 63,684	\$ 11,466	\$ 3,758	\$ 9,734	\$ 1,220,206
Loss allowance (Lifetime ECLs)	<u>(6,978)</u>	<u>(1,805)</u>	<u>(974)</u>	<u>(1,359)</u>	<u>(6,325)</u>	<u>(17,441)</u>
Amortized cost	<u>\$ 1,124,586</u>	<u>\$ 61,879</u>	<u>\$ 10,492</u>	<u>\$ 2,399</u>	<u>\$ 3,409</u>	<u>\$ 1,202,765</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 3,406	\$ 1,987
Net remeasurement of loss allowance	3,823	16,278
Amounts written off	(67)	(132)
Foreign exchange gains and losses	<u>218</u>	<u>(692)</u>
Balance at September 30	<u>\$ 7,380</u>	<u>\$ 17,441</u>

9. INVENTORIES

a. Manufacturing

	September 30, 2024	December 31, 2023	September 30, 2023	
Finished goods	\$ 328,499	\$ 345,437	\$ 333,920	
Work in process	546,288	496,011	517,051	
Raw materials and supplies	337,067	340,740	287,842	
Inventory in transit	<u>7,919</u>	<u>9,787</u>	<u>8,702</u>	
	<u>\$ 1,219,773</u>	<u>\$ 1,191,975</u>	<u>\$ 1,147,515</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventory sold	\$ 1,155,438	\$ 1,015,724	\$ 3,171,158	\$ 2,668,638
Inventory write-downs	<u>11,971</u>	<u>16,346</u>	<u>44,751</u>	<u>92,982</u>
	<u>\$ 1,167,409</u>	<u>\$ 1,032,070</u>	<u>\$ 3,215,909</u>	<u>\$ 2,761,620</u>

b. Construction industry-construction to be sold

Location	Project Name	September 30, 2024	December 31, 2023	September 30, 2023	
Xishan District, Wuxi	Paiho International Mansion - Season One	\$ 267,617	\$ 255,434	\$ 259,827	
	Paiho International Mansion - Season Two	280,748	268,577	274,020	
	Paiho Business Plaza	<u>1,355,007</u>	<u>1,615,994</u>	<u>1,684,364</u>	
		<u>\$ 1,903,372</u>	<u>\$ 2,140,005</u>	<u>\$ 2,218,211</u>	
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Cost of inventory sold		<u>\$ 22,665</u>	<u>\$ 1,224</u>	<u>\$ 37,265</u>	<u>\$ 17,500</u>

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
The Corporation	Hong Kong Antex Limited	International investment	100	100	100
	Hon Shin Corp.	International investment and trading	100	100	100
Hong Kong Antex Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of touch fastener, webbing and embroidery	99.99	99.99	99.99
	Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven products	100	100	100

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	100	100	100
	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100	100
	Shanghai Best Expectation Textile Trading Limited	International investment and trading	18	22	22
Dongguan Paihong Industry Co., Ltd	Shanghai Best Expectation Textile Trading Limited	International investment and trading	82	78	78
	Shanghai Best Expectation Textile Trading Limited	International investment and trading	100	100	100
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Production & marketing of mesh and other fabrics.	100	100	100

(Concluded)

See Tables 8 and 9 for the information on places of incorporation and principal places of business for each subsidiary.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 4,258,024	\$ 5,934,335	\$ 145,401	\$ 708,843	\$ 3,363,646	\$ 14,410,249
Additions	7,793	15,540	685	13,150	384,832	422,000
Disposals	(14,026)	(7,800)	(1,183)	(13,355)	-	(36,364)
Reclassified	1,068,514	69,223	6,422	(3,188)	(3,789,134)	(2,648,163)
Translation Adjustments	175,390	232,359	5,916	31,086	102,242	546,993
Balance at September 30, 2024	<u>\$ 5,495,695</u>	<u>\$ 6,243,657</u>	<u>\$ 157,241</u>	<u>\$ 736,536</u>	<u>\$ 61,586</u>	<u>\$ 12,694,715</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ 1,278,183	\$ 2,857,215	\$ 76,851	\$ 498,267	\$ -	\$ 4,710,516
Additions	131,113	352,383	10,149	53,209	-	546,854
Disposals	(14,026)	(7,431)	(1,124)	(12,880)	-	(35,461)
Reclassified	(5,691)	865	(3,581)	(603)	-	(9,010)
Translation Adjustments	57,121	118,508	3,171	22,624	-	201,424
Balance at September 30, 2024	<u>\$ 1,446,700</u>	<u>\$ 3,321,540</u>	<u>\$ 85,466</u>	<u>\$ 560,617</u>	<u>\$ -</u>	<u>\$ 5,414,323</u>
Carrying amount at September 30, 2024	<u>\$ 4,048,995</u>	<u>\$ 2,922,117</u>	<u>\$ 71,775</u>	<u>\$ 175,919</u>	<u>\$ 61,586</u>	<u>\$ 7,280,392</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 2,979,841</u>	<u>\$ 3,077,120</u>	<u>\$ 68,550</u>	<u>\$ 210,576</u>	<u>\$ 3,363,646</u>	<u>\$ 9,699,733</u>

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 4,256,483	\$ 5,741,396	\$ 146,206	\$ 685,355	\$ 2,475,575	\$ 13,305,015
Additions	11,638	35,434	-	31,656	642,500	721,228
Disposals	(235)	(50,122)	(4,781)	(8,301)	-	(63,439)
Reclassified	33,952	267,994	3,359	1,642	19,558	326,505
Translation Adjustments	69,654	113,611	2,283	4,403	100,625	290,576
Balance at September 30, 2023	<u>\$ 4,371,492</u>	<u>\$ 6,108,313</u>	<u>\$ 147,067</u>	<u>\$ 714,755</u>	<u>\$ 3,238,258</u>	<u>\$ 14,579,885</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 1,127,783	\$ 2,475,088	\$ 69,107	\$ 443,649	\$ -	\$ 4,115,627
Additions	129,048	347,983	9,637	53,405	-	540,073
Disposals	(235)	(31,545)	(4,252)	(7,545)	-	(43,577)
Translation Adjustments	8,603	40,895	1,021	2,722	-	53,241
Balance at September 30, 2023	<u>\$ 1,265,199</u>	<u>\$ 2,832,421</u>	<u>\$ 75,513</u>	<u>\$ 492,231</u>	<u>\$ -</u>	<u>\$ 4,665,364</u>
Carrying amount at September 30, 2023	<u>\$ 3,106,293</u>	<u>\$ 3,275,892</u>	<u>\$ 71,554</u>	<u>\$ 222,524</u>	<u>\$ 3,238,258</u>	<u>\$ 9,914,521</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 3,128,700</u>	<u>\$ 3,266,308</u>	<u>\$ 77,099</u>	<u>\$ 241,706</u>	<u>\$ 2,475,575</u>	<u>\$ 9,189,388</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	5-40 years
Machinery and equipment	3-15 years
Transportation equipment	5-11 years
Miscellaneous equipment	3-11 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amounts</u>				
Land	\$ 615,192	\$ 934,158	\$ 968,739	
Transportation equipment	<u>888</u>	<u>-</u>	<u>139</u>	
	<u>\$ 616,080</u>	<u>\$ 934,158</u>	<u>\$ 968,878</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,395</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets				
Land	\$ 6,295	\$ 5,581	\$ 18,620	\$ 17,671
Buildings	-	2	-	906
Transportation equipment	<u>177</u>	<u>206</u>	<u>523</u>	<u>622</u>
	<u>\$ 6,472</u>	<u>\$ 5,789</u>	<u>\$ 19,143</u>	<u>\$ 19,199</u>

Except for the aforementioned recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	\$ 717	\$ -	\$ 229
Non-current	\$ 183	\$ -	\$ -

Range of discount rate (%) for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	-	0.98	-
Transportation equipment	3.70	3.85	3.85

c. Other lease information

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 3,436	\$ 2,352	\$ 10,564	\$ 9,759
Total cash outflow for leases			\$ (11,108)	\$ (9,918)

13. INVESTMENT PROPERTIES

	<u>For the nine Months Ended September 30, 2024</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassified</u>	<u>Translation Adjustments</u>	<u>Ending Balance</u>
<u>Cost</u>					
Properties for sale	\$ 93,092	\$ 2,998	\$ 290,609	\$ 9,593	\$ 396,292
Right-of-use land and buliding	-	-	3,112,007	11,895	3,123,902
	<u>93,092</u>	<u>\$ 2,998</u>	<u>\$ 3,402,616</u>	<u>\$ 21,488</u>	<u>3,520,194</u>
<u>Accumulated depreciation</u>					
Properties for sale	836	\$ 4,182	\$ (462)	\$ 106	4,662
Right-of-use land and buliding	-	5,724	45,531	196	51,451
	<u>836</u>	<u>\$ 9,906</u>	<u>\$ 45,069</u>	<u>\$ 302</u>	<u>56,113</u>
	<u>\$ 92,256</u>				<u>\$ 3,464,081</u>

For the nine Months Ended September 30, 2023

	Beginning Balance	Additions	Reclassified	Translation Adjustments	Ending Balance
<u>Cost</u>					
Properties for sale	\$ -	\$ -	\$ 62,360	\$ 309	\$ 62,669
<u>Accumulated depreciation</u>					
Properties for sale	-	\$ 298	-	\$ 2	300
	<u>\$ -</u>				<u>\$ 62,369</u>

The investment properties - properties for sale were properties for sale located in Wuxi, China and were subleased under operating leases. The investment properties are leased out for 1-3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The investment properties - the right-of-use land and building were properties for sale located in Binh Duong Province, Vietnam and were subleased under operating leases. The investment properties are leased out for 5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 45,195	\$ 6,887	\$ 6,123
Year 2	39,143	2,924	5,644
Year 3	36,154	1,649	4,068
Year 4	28,371	-	-
Year 5	<u>16,550</u>	<u>-</u>	<u>-</u>
	<u>\$ 165,413</u>	<u>\$ 11,460</u>	<u>\$ 15,835</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Completed investment properties	30 years
Right-of-use land and building	5-40 years

The net worth of the Group's investment properties - held for sale was \$391,630 thousand as of September 30, 2024. The fair value of investment properties was based on the fair value assessment of inventories - construction and investment properties evaluated by an independent appraiser as of December 31, 2023. Since the current market situation has not changed much, the fair value of the above evaluation is still referenceable. The valuation, based on market evidence of similar real estate transaction prices, the significant unobservable inputs used, including discount rates and rent growth rates, and the fair values obtained, was \$426,960 thousand.

The net worth of the Group's investment properties - the right-of-use land and buildings was \$3,072,451 thousand as of September 30, 2024. The fair value was based on the fair value evaluated by an independent appraiser as of July 31, 2024. The fair values obtained were \$3,587,950 thousand.

14. GOODWILL

	For the Nine Months Ended September 30	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 138,427	\$ 138,669
Effect of foreign currency exchange differences	<u>5,154</u>	<u>6,581</u>
Balance at September 30	<u>\$ 143,581</u>	<u>\$ 145,250</u>

15. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Tax overpayment for offset with future tax payable	\$ 329,093	\$ 608,456	\$ 600,174
Prepayments	66,300	36,192	32,208
Prepaid expenses	24,775	70,058	27,940
Others	<u>17,839</u>	<u>10,275</u>	<u>10,593</u>
	<u>\$ 438,007</u>	<u>\$ 724,981</u>	<u>\$ 670,915</u>
<u>Non-current</u>			
Refundable deposits	\$ 18,586	\$ 18,843	\$ 19,154
Others	<u>8,007</u>	<u>5,067</u>	<u>5,845</u>
	<u>\$ 26,593</u>	<u>\$ 23,910</u>	<u>\$ 24,999</u>

16. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured borrowings	\$ -	\$ 521,162	\$ -
Line of credit borrowings	<u>6,874,171</u>	<u>7,272,992</u>	<u>7,981,726</u>
	<u>\$ 6,874,171</u>	<u>\$ 7,794,154</u>	<u>\$ 7,981,726</u>
<u>Rate of interest per annum (%)</u>			
Secured borrowings	-	6.17-6.94	-
Line of credit borrowings	2.15-7.52	3.00-7.27	3.10-7.25

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings - due in December 2024 - December 2028	\$ 3,589,135	\$ 3,390,670	\$ 4,429,051
Less: Current portion	<u>(330,245)</u>	<u>(22,992)</u>	<u>(261,580)</u>
Long-term borrowings	<u>\$ 3,258,890</u>	<u>\$ 3,367,678</u>	<u>\$ 4,167,471</u>
<u>Rate of interest per annum (%)</u>			
Unsecured loans	3.35-6.97	3.40-6.98	3.40-6.95

In order to repay the loans, support overseas investment and provide sufficient operation funds, the Corporation obtained a syndicated loan with a credit line of US\$220 million from KGI Commercial Bank and multiple financial institutions in July 2021. In line with the restructuring of the Group's investment structure and funding needs of the entities across the Group, the amended credit facilities were US\$70 million and US\$150 million for amended borrower of the Corporation and Hong Kong Best Expectation International Trading Limited in October 2022 and November 2022, respectively, The abovementioned syndicated loan was repaid on December 28, 2023.

In order to repay the loans and provide sufficient operation funds, Hong Kong Best Expectation International Trading Limited obtained a syndicated loan with a credit line of US\$100 million from KGI Commercial Bank and multiple financial institutions in December 2023. According to the loan contract, the Group is required to maintain the Corporation's financial ratios as follows:

- 1) Net debt ratio [(total debt (including lease liabilities) minus cash (excluding restricted deposits)) ÷ the tangible net assets] as of December 31, 2023, September 30, 2024, December 31, 2024 and September 30, 2025 shall be maintained respectively at 265%, 235%, 220% and 180% or lower.
- 2) Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall not be lower than 2.5 and 3 as of December 31, 2024 and September 30, 2025.
- 3) Tangible net assets [total equity minus intangible assets] not less than \$3.5 billion.

Furthermore, the Corporation cannot dispose any material assets or rights and repurchase stocks or reduce capital without the permissions of the creditor banks during the loan period.

17. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Payables for salaries and bonuses	\$ 336,936	\$ 307,688	\$ 268,943
Payables for purchases of building and equipment	8,962	238,594	137,558
Others	<u>178,715</u>	<u>203,789</u>	<u>147,372</u>
	<u>\$ 524,613</u>	<u>\$ 750,071</u>	<u>\$ 553,873</u>

18. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022 respectively. Refer to Note 22.

19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2024</u>			
Assets			
Trade receivables	\$ 186	\$ -	\$ 186
Other receivables	805	-	805
Inventories - constructing	1,903,372	-	1,903,372
Other current assets	<u>80,726</u>	<u>-</u>	<u>80,726</u>
	<u>\$ 1,985,089</u>	<u>\$ -</u>	<u>\$ 1,985,089</u>
Liabilities			
Trade payables	\$ 49,860	\$ -	\$ 49,860
Other payables	21,068	-	21,068
Contract liabilities	<u>5,924</u>	<u>-</u>	<u>5,924</u>
	<u>\$ 76,852</u>	<u>\$ -</u>	<u>\$ 76,852</u>
<u>December 31, 2023</u>			
Assets			
Trade receivables	\$ -	\$ -	\$ -
Other receivables	141	-	141
Inventories - constructing	2,140,005	-	2,140,005
Other current assets	<u>73,720</u>	<u>-</u>	<u>73,720</u>
	<u>\$ 2,213,866</u>	<u>\$ -</u>	<u>\$ 2,213,866</u>
Liabilities			
Trade payables	\$ 64,243	\$ -	\$ 64,243
Other payables	64,668	-	64,668
Contract liabilities	<u>3,797</u>	<u>-</u>	<u>3,797</u>
	<u>\$ 132,708</u>	<u>\$ -</u>	<u>\$ 132,708</u>

(Continued)

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2023</u>			
Assets			
Trade receivables	\$ 127	\$ -	\$ 127
Other receivables	2,102	-	2,102
Inventories - constructing	2,218,211	-	2,218,211
Other current assets	<u>83,130</u>	<u>-</u>	<u>83,130</u>
	<u>\$ 2,303,570</u>	<u>\$ -</u>	<u>\$ 2,303,570</u>
Liabilities			
Trade payable	\$ 70,631	\$ -	\$ 70,631
Other payables	31,709	-	31,709
Contract liabilities	<u>3,518</u>	<u>-</u>	<u>3,518</u>
	<u>\$ 105,858</u>	<u>\$ -</u>	<u>\$ 105,858</u>
			(Concluded)

20. EQUITY

a. Common stock

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>500,000</u>	<u>400,000</u>	<u>400,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>399,937</u>	<u>330,937</u>	<u>330,937</u>
Shares issued	<u>\$ 3,999,370</u>	<u>\$ 3,309,370</u>	<u>\$ 3,309,370</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Corporation issued 15,759 thousand new shares at an aggregate amount of \$157,589 thousand through distributable earnings for the year ended December 31, 2022, which were resolved by shareholders in their meeting on June 6, 2023.

On September 26, 2023, the Company's board of directors resolved to issue 69,000 thousand ordinary shares with a par value of \$10. It was issued at a premium of \$18 per share. The subscription base date was determined on January 22, 2024.

According to the Company Act, the issuance of ordinary shares shall appropriate 10% of the total amount of new shares for subscription by the Group's and employees. The Corporation recognized as share-based payment of capital surplus amounted to NT\$9,926 thousand.

b. Capital surplus

Capital surplus may be used to offset a deficit; when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

However, capital surplus recognized from the effect of changes in percentage of ownership interests in subsidiaries, which resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

According to the Corporation's Articles of Incorporation, the board of directors may, before recommending the distribution of any dividends, first appropriate for reserves which may be used at their discretion to meet unforeseen needs or any appropriate purpose. The board of directors may also, at its discretion, suspend the use of the reserves and use funds in the Corporation's business or appropriate investment. The Corporation may, in accordance with the law or the applicable listing rules and pursuant to a resolution in the shareholders' meeting, make a special reserve. The annual surplus earnings, after payment of taxes, offset of previous losses, deduction for special reserve, and other adjustments for the current year, if there is still a balance, the balance together with prior years' unappropriated earnings, if any, should be distributed upon proposal by the board of directors and approval in the shareholders' meeting. The dividends could be distributed in whole by cash after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Corporation's policy is to distribute dividends to shareholders in the form of stock dividends and cash dividends after taking into consideration the needs for future capital expenditure and operating capital demand. The distribution amount of surplus will make up the loss at not less than the current post-tax surplus, and the deduction which is based on the surplus reserve of the Corporation's shareholders' meeting, and 25% of the balance of other undistributed earnings in the current year, and The cash dividends ratio shall not be less than 20% of the total cash dividends and stock dividends.

The offset of deficit for 2023 and the appropriation of earnings for 2022, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended	
	December 31	
	2023	2022
Special reserve	\$ 147,031	\$ 70,494
Cash dividends	-	63,036
Share dividends	-	157,589
Cash dividends per share (NT\$)	-	0.2
Share dividends per share (NT\$)	-	0.5

For the year ended December 31, 2022 for cash dividends were resolved by the Corporation's board of directors on April 20, 2023; For the year ended December 31 2022 and 2023 the other proposed appropriations were resolved by shareholders in their meeting on June 6, 2023 and June 18, 2024, respectively.

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from sale of goods	\$ 1,921,028	\$ 1,547,737	\$ 5,158,047	\$ 3,881,309
Revenue from sale of real estate	<u>49,431</u>	<u>-</u>	<u>78,999</u>	<u>24,772</u>
	<u>\$ 1,970,459</u>	<u>\$ 1,547,737</u>	<u>\$ 5,237,046</u>	<u>\$ 3,906,081</u>
Operating cost				
Cost of goods sold	\$ 1,167,409	\$ 1,032,070	\$ 3,215,909	\$ 2,761,620
Cost of real estate sold	<u>22,665</u>	<u>1,224</u>	<u>37,265</u>	<u>17,500</u>
	<u>\$ 1,190,074</u>	<u>\$ 1,033,294</u>	<u>\$ 3,253,174</u>	<u>\$ 2,779,120</u>

Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities - current			
Sales of real estate	\$ 5,924	\$ 3,797	\$ 3,518
Sale of goods	<u>9,790</u>	<u>11,324</u>	<u>13,481</u>
	<u>\$ 15,714</u>	<u>\$ 15,121</u>	<u>\$ 16,999</u>

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 163,991	\$ 132,046	\$ 379,937	\$ 375,575
Interest on lease liabilities	<u>9</u>	<u>3</u>	<u>32</u>	<u>61</u>
	<u>\$ 164,000</u>	<u>\$ 132,049</u>	<u>\$ 379,969</u>	<u>\$ 375,636</u>

Information on interest capitalization is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Capitalized interests on properties	\$ -	\$ 46,213	\$ 115,130	\$ 120,550
Capitalization rates (%)	-	6.53	6.75	6.53

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses and Non-Operating Expenses	Total
<u>For the Three Months Ended September 30,</u> <u>2024</u>			
Short-term employee benefits	\$ 226,178	\$ 226,819	\$ 452,997
Post-employment benefits			
Defined contribution plans	15,944	10,593	26,537
Defined benefit plans (Note 18)	-	3,599	3,599
Other employee benefits	25,734	15,518	41,252
Depreciation expenses	152,224	53,132	205,356
Amortization expenses	-	32	32
<u>For the Three Months Ended September 30,</u> <u>2023</u>			
Short-term employee benefits	207,313	168,783	376,096
Post-employment benefits			
Defined contribution plans	17,368	10,402	27,770
Defined benefit plans (Note 18)	-	3,863	3,863
Other employee benefits	23,593	13,096	36,689
Depreciation expenses	148,870	36,372	185,242
Amortization expenses	-	194	194
<u>For the Nine Months Ended September 30,</u> <u>2024</u>			
Short-term employee benefits	668,130	602,758	1,270,888
Post-employment benefits			
Defined contribution plans	48,494	29,902	78,396
Defined benefit plans (Note 18)	-	10,797	10,797
Other employee benefits	71,225	41,080	112,305
Depreciation expenses	445,938	129,965	575,903
Amortization expenses	-	93	93
<u>For the Nine Months Ended September 30,</u> <u>2023</u>			
Short-term employee benefits	587,904	565,108	1,153,012
Post-employment benefits			
Defined contribution plans	50,771	31,115	81,886
Defined benefit plans (Note 18)	-	11,589	11,589
Other employee benefits	62,938	36,415	99,353
Depreciation expenses	440,915	118,655	559,570
Amortization expenses	-	594	594

c. Employees' compensation and remuneration of directors

Before the amendment to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and the remuneration of directors at rates of no less than 0.1% and no higher than 3%. There was no compensation of employees and no remuneration of directors estimated as the Corporation reported a pre-tax loss for the nine months ended September 30, 2023 and for the three months and nine months ended September 30, 2024, the employees' compensation and the remuneration of directors were as follows:

	For the Nine Months Ended September 30, 2024	
Accrual rate		
Employees' compensation		0.12%
Remuneration of directors		0.83%
	For the Three Months Ended September 30 2024	For the Nine Months Ended September 30 2024
Amount		
Employees' compensation (US Dollars)	\$ 6,000	\$ 13,000
Remuneration of directors (US Dollars)	33,000	87,000

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The actual amounts of the employees' compensation and remuneration of directors paid for March 15, 2023 differed from the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021, respectively. The differences were adjusted to profit and loss for the years ended December 31, 2023.

	For the Year Ended December 31 2022 (US Dollars)	
	Employees' Compensation	Remuneration of Directors and Supervisors
Amounts resolved in the board of directors' meetings	<u>\$ 196,570</u>	<u>\$ 160,389</u>
Amounts recognized in the financial statements	<u>\$ 200,564</u>	<u>\$ 163,647</u>

Information on the employees' and remuneration of directors resolved at the Market Observation Post System website of the TWSE.

d. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 17,457	\$ 16,508	\$ 36,427	\$ 58,187
Foreign exchange losses	<u>(17,772)</u>	<u>(28,127)</u>	<u>(49,167)</u>	<u>(69,619)</u>
Net losses	<u>\$ (315)</u>	<u>\$ (11,619)</u>	<u>\$ (12,740)</u>	<u>\$ (11,432)</u>

23. TAXES

Major components of tax expense (benefit) recognized in profit or loss:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 44,467	\$ 18,749	\$ 113,513	\$ 37,187
Adjustments for prior years	-	(16)	(30,298)	4,632
Land value increment tax	<u>23,560</u>	<u>(99)</u>	<u>36,742</u>	<u>29,211</u>
	68,027	18,634	119,957	71,030
Deferred tax				
In respect of the current period	<u>11,481</u>	<u>(6,891)</u>	<u>26,463</u>	<u>(68,922)</u>
Income tax expense recognized in profit or loss	<u>\$ 79,508</u>	<u>\$ 11,743</u>	<u>146,420</u>	<u>\$ 2,108</u>

24. EARNINGS (LOSS) PER SHARE

	Net profit (loss) Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings (Loss) Per Share (NT\$)
<u>For the Three Months Ended September 30, 2024</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	\$ 140,509	399,937	<u>\$ 0.35</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>18</u>	
Basic diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 140,509</u>	<u>399,955</u>	<u>\$ 0.35</u>

(Continued)

	Net profit (loss) Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings (Loss) Per Share (NT\$)
<u>For the Three Months Ended September 30, 2023</u>			
Basic and diluted loss per share			
Loss for the period attributable to owners of the Corporation	\$ (19,879)	<u>330,937</u>	\$ (0.06)

For the Nine Months Ended September 30, 2024

Basic earnings per share			
Profit for the year attributable to owners of the Corporation	\$ 330,726	394,649	<u>\$ 0.84</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	<u>18</u>	
Basic diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 330,726</u>	<u>394,667</u>	<u>\$ 0.84</u>

For the Nine Months Ended September 30, 2023

Basic and diluted loss per share			
Loss for the period attributable to owners of the Corporation	\$ (436,564)	<u>330,937</u>	<u>\$ (1.32)</u> (Concluded)

The Group offered to settle compensation paid to employees in cash or shares; thus, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

For the nine months ended September 30, 2023, the earnings of dilutive ordinary shares used in the computation of diluted earnings per share were a net loss. Therefore, the effect of potentially dilutive ordinary shares is anti-dilutive and excluded from the computation of diluted earnings per share.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

b. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,568,305	\$ 2,846,398	\$ 3,960,754
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	11,413,013	12,292,950	13,375,551

- 1) The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, notes receivable, trade receivables, other receivables and refundable deposits.
- 2) The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and long-term borrowings including current portion and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the group's entities against the USD. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

Currency Impact	
For the Nine Months Ended	
September 30	
2024	2023

USD	\$ 3,815	\$ 6,150
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The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in USD which were not hedged at the end of the reporting period.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Short-term borrowings	\$ -	\$ -	\$ 2,664,756
Lease liabilities	-	-	229
Cash flow interest rate risk			
Short-term borrowings	6,874,171	7,794,154	5,316,970
Long-term borrowings	3,589,135	3,390,670	4,429,051

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$19,619 thousand and \$18,274 thousand, respectively.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had available unutilized bank loan facilities of \$4,779,221 thousand, \$3,682,677 thousand and \$5,943,612 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less Than 3 months	3 months - 1 Year	Over 1 Year
<u>September 30, 2024</u>			
Non-interest bearing	\$ 719,352	\$ 227,940	\$ 2,415
Lease liabilities	185	554	185
Short-term bank loans	1,780,146	5,094,025	-
Long-term bank loans	<u>23,779</u>	<u>306,466</u>	<u>3,258,890</u>
	<u>\$ 2,523,462</u>	<u>\$ 5,628,985</u>	<u>\$ 3,261,490</u>
<u>December 31, 2023</u>			
Non-interest bearing	\$ 566,473	\$ 271,161	\$ 270,492
Lease liabilities	1,745,674	6,048,480	-
Short-term bank loans	<u>-</u>	<u>22,992</u>	<u>3,367,678</u>
Long-term bank loans	<u>\$ 2,312,147</u>	<u>\$ 6,342,633</u>	<u>\$ 3,638,170</u>
<u>September 30, 2023</u>			
Non-interest bearing	\$ 787,086	\$ 127,581	\$ 12,018
Lease liabilities	229	-	-
Short-term bank loans	1,150,763	6,830,963	-
Long-term bank loans	<u>23,780</u>	<u>237,800</u>	<u>4,167,471</u>
	<u>\$ 1,961,858</u>	<u>\$ 7,196,344</u>	<u>\$ 4,179,489</u>

Additional information about the maturity analysis for lease liabilities and long-term bank loans:

	Less than 1 Year	1-5 Years
<u>September 30, 2024</u>		
Lease liabilities	\$ 739	\$ 185
Long-term bank loans	<u>330,245</u>	<u>3,258,890</u>
	<u>\$ 330,984</u>	<u>\$ 3,259,075</u>
<u>December 31, 2023</u>		
Long-term bank loans	<u>\$ 22,992</u>	<u>\$ 3,367,678</u>
<u>September 30, 2023</u>		
Lease liabilities	\$ 229	\$ -
Long-term bank loans	<u>261,580</u>	<u>4,167,471</u>
	<u>\$ 261,809</u>	<u>\$ 4,167,471</u>

26. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is Paiho Int'l Limited, which held 50%, 52% and 52% of the ordinary shares of the Corporation at September 30, 2024, December 31, 2023 and September 30, 2023. The Corporation's ultimate parent is Taiwan Paiho Limited.

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party</u>	<u>Related Party Category</u>
Taiwan Paiho Limited	The Corporation's ultimate parent
Vietnam Paiho Limited	Sister corporation
Paiho North America Corp.	Sister corporation
He Mei Xing Ye Company Ltd.	Sister corporation
Dongguan Paiho Business Service Co., Ltd	Sister corporation
Wuxi Paisen Commerce Co., Ltd.	Sister corporation
Kuo-Ian Cheng	Chairman
Ming-Chang Chiang	Other related party

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Taiwan Paiho Limited	\$ 2,357	\$ 380	\$ 7,691	\$ 969
	Sister corporations	13,536	14,334	45,186	37,723
	Other related parties	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,506</u>
		<u>\$ 15,893</u>	<u>\$ 14,714</u>	<u>\$ 52,877</u>	<u>\$ 62,198</u>

The sales of goods to parent and sister corporation were made at the market price. The credit period of sales of goods was about 3 months. Sale to other related parties of construction assets - Paiho International Mansion at subscription price, which was based on the price approved in the local filing application form.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Taiwan Paiho Limited	\$ 50,790	\$ 42,134	\$ 170,335	\$ 119,473
Sister corporations	<u>1</u>	<u>-</u>	<u>4</u>	<u>-</u>
	<u>\$ 50,791</u>	<u>\$ 42,134</u>	<u>\$ 170,339</u>	<u>\$ 119,473</u>

Purchases were made at market price or cost plus 15% mark-up. The payment period is 3 months.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables	Taiwan Paiho Limited	\$ 429	\$ 1,672	\$ 53
	Sister corporations			
	Vietnam Paiho Limited	6,252	3,807	3,558
	Paiho North America Corp.	<u>47</u>	<u>2,888</u>	<u>1,419</u>
		<u>\$ 6,728</u>	<u>\$ 8,367</u>	<u>\$ 5,030</u>
Other payables	Sister corporations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645</u>

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade payables	Taiwan Paiho Limited	<u>\$ 53,330</u>	<u>\$ 44,813</u>	<u>\$ 43,469</u>
Other payables	Taiwan Paiho Limited	\$ 15	\$ 56	\$ 22
	Sister corporations	<u>-</u>	<u>645</u>	<u>938</u>
		<u>\$ 15</u>	<u>\$ 701</u>	<u>\$ 960</u>

f. Lease arrangements

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Lease expenses</u>				
Taiwan Paiho Limited	\$ 594	\$ 597	\$ 1,789	\$ 1,229
Sister corporations	<u>1,114</u>	<u>2,610</u>	<u>3,296</u>	<u>4,791</u>
	<u>\$ 1,708</u>	<u>\$ 3,207</u>	<u>\$ 5,085</u>	<u>\$ 6,020</u>

Lease expenses included expenses relating to short-term leases. Future lease payables related to short-term leases are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Future lease payables	<u>\$ 1,744</u>	<u>\$ 5,017</u>	<u>\$ 2,328</u>

Rental rates are based on the rental rates of nearby properties and set out by mutual agreements.

g. Endorsements and guarantees

Endorsements and guarantees given by related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Kuo-Ian Cheng			
Amount endorsed	\$ 11,483,715	\$ 11,636,440	\$ 14,289,598
Amount utilized	<u>(9,116,528)</u>	<u>(9,694,337)</u>	<u>(11,277,830)</u>
	<u>\$ 2,367,187</u>	<u>\$ 1,942,103</u>	<u>\$ 3,011,768</u>

Long-term and short-term bank loans were jointly guaranteed by the Chairman.

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended September 31		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Other income	Sister corporations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 12</u>

i. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 29,792	\$ 14,249	\$ 82,289	\$ 58,079
Post-employment benefits	<u>414</u>	<u>439</u>	<u>1,154</u>	<u>1,162</u>
	<u>\$ 30,206</u>	<u>\$ 14,688</u>	<u>\$ 83,443</u>	<u>\$ 59,241</u>

The remuneration of directors and key executives was determined by the compensation committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as restricted bank deposits in accordance with the loan agreements and guarantee for obligations to a power company:

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at amortized cost	<u>\$ 62,505</u>	<u>\$ 339,905</u>	<u>\$ 351,276</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group as of September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

a. Significant unrecognized commitments

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	<u>\$ 40,165</u>	<u>\$ 368,170</u>	<u>\$ 410,379</u>

b. After approval of a resolution at the extraordinary general meeting of shareholders on September 3, 2010, the Corporation and Paiho Shih Holdings Corporation signed an agreement on “Comprehensive Agreement on the Use of Trademarks and Patent Rights, Sales Area Division and Affiliates Transactions”.

After listing on the stock exchange, Paiho Shih Holdings Corporation obtained approval to purchase shares of Paiho Europe, S.A. and Paiho North America Corporation by itself or its subsidiaries on appropriate time and at a fair price according to valuation of a professional appraisal organization.

In addition, to meet the requirements for listing, after approval of a resolution at the annual shareholder's meeting on April 19, 2011, Paiho Shih Holdings Corporation revised part of the articles in the above agreement about the Sales Area Division and about the non-compete clause.

Due to decline in business and economy, Taiwan Paiho Limited has terminated the operation of Paiho Europe, S.A. Therefore, on February 27, 2014, Paiho Shih Holdings Corporation submitted a letter to Taiwan Stock Exchange to report that Paiho Europe, S.A. no longer exists, and Paiho Shih Holdings Corporation cannot continue the above agreement.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	September 30, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount
<u>Financial assets</u>						
Monetary items						
USD	\$ 12,266	7.0074 (Note 2)	\$ 388,778	\$ 10,813	7.0827 (Note 2)	\$ 331,396
<u>Financial liabilities</u>						
Monetary items						
USD	228	7.0074 (Note 2)	7,233	180	7.0827 (Note 2)	5,522
<u>September 30, 2023</u>						
	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount			
<u>Financial assets</u>						
Monetary items						
USD	\$ 20,317	7.1798 (Note 2)	\$ 644,038			
<u>Financial liabilities</u>						
Monetary items						
USD	915	7.1798 (Note 2)	28,989			

Note 1: Except as otherwise noted, exchange rate represents the amount of New Taiwan dollars for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the amount of RMB for which one US dollar could be exchanged.

The Group is primarily exposed to risks of foreign currency exchange rates of USD. The information below is based on functional currencies of the entities in the Group against the USD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended September 30, 2024		For the Three Months Ended September 30, 2023	
	Exchange Rate	Net Foreign Exchange Gain and Loss	Exchange Rate	Net Foreign Exchange Gain and Loss
RMB	4.504 (RMB:NTD)	\$ (9,199)	4.367 (RMB:NTD)	\$ (519)
USD	32.301 (USD:NTD)	8,831	31.684 (USD:NTD)	(11,470)
HKD	4.141 (HKD:NTD)	<u>53</u>	4.05 (HKD:NTD)	<u>370</u>
		<u>\$ (315)</u>		<u>\$ (11,619)</u>

Foreign Currency	For the Nine Months Ended September 30, 2024		For the Nine Months Ended September 30, 2023	
	Exchange Rate	Net Foreign Exchange Gain and Loss	Exchange Rate	Net Foreign Exchange Gain and Loss
RMB	4.4428 (RMB:NTD)	\$ 655	4.394 (RMB:NTD)	\$ 7,369
USD	32.0344 (USD:NTD)	(13,407)	30.928 (USD:NTD)	(18,739)
HKD	4.1002 (HKD:NTD)	<u>12</u>	3.948 (HKD:NTD)	<u>(62)</u>
		<u>\$ (12,740)</u>		<u>\$ (11,432)</u>

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held. (None)
- 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 3)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 7)

11) Information on investees. (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 7)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 7)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Tables 1, 6 and 7)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (Table 7)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments are Production and Construction.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Nine Months Ended September 30			
	Segment Revenue		Segment Profit	
	2024	2023	2024	2023
Production	\$ 5,158,047	\$ 3,881,309	\$ 882,796	\$ 5,171
Construction	<u>78,999</u>	<u>24,772</u>	<u>(59,314)</u>	<u>(76,577)</u>
Total from continuing operations	<u>\$ 5,237,046</u>	<u>\$ 3,906,081</u>	823,482	(71,406)

(Continued)

For the Nine Months Ended September 30			
Segment Revenue		Segment Profit	
2024	2023	2024	2023
Interest income		\$ 24,400	\$ 19,918
Other income and benefits		55,183	41,976
Finance costs		(379,969)	(375,636)
Other expenses and losses		<u>(45,921)</u>	<u>(49,353)</u>
Profit (loss) before income tax		<u>\$ 477,175</u>	<u>\$ (434,501)</u> (Concluded)

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, finance costs and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Notes 6 and 8)	Ending Balance (Notes 7 and 8)	Actual Borrowing Amount (Notes 7, 9 and 10)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2, 3, 4 and 5)	Aggregate Financing Limits (Notes 1, 2, 3, 4 and 5)
													Item	Value		
0	The Corporation	Vietnam Paihong Company Limited	Receivables from related parties	Yes	\$ 2,332,405 (USD 73,000)	\$ 2,088,900 (USD 66,000)	\$ 1,993,950 (USD 63,000)	3-month USD TAIFX rate, plus 1.1%, and 3-month USD TAIFX rate, plus 1% 3.5-4.2%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 2,546,550	\$ 2,546,550
1	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Wuxi Paihong Real Estate Co. Ltd.	Receivables from related parties	Yes	483,350 (RMB 110,000)	135,690 (RMB 30,000)	45,230 (RMB 10,000)	-	Necessary for short-term financing	-	Operating capital	-	-	-	1,791,471	1,791,471
2	Wuxi Paiwei Biotechnology Co. Ltd	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	65,475 (RMB 15,000)	67,845 (RMB 15,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	81,226	81,226
3	Hon Shin Corp.	Paihong Vietnam Company Limited	Receivables from related parties	Yes	334,983 (USD 10,500)	300,675 (USD 9,500)	300,675 (USD 9,500)	3-month USD TAIFX rate, plus 1.1%, and 3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	355,132	355,132
		The Corporation	Receivables from related parties	Yes	97,590 (USD 3,000)	-	-	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	355,132	355,132
4	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	218,250 (RMB 50,000)	226,150 (RMB 50,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	1,000,974	1,000,974
		Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	440,600 (RMB 100,000)	452,300 (RMB 100,000)	284,949 (RMB 63,000)	3.7%	Necessary for long-term financing	-	Operating capital	-	-	-	2,502,436	2,502,436
		Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	883,400 (RMB 200,000)	-	-	-	Necessary for long-term financing	-	Operating capital	-	-	-	2,502,436	2,502,436

Note 1: For borrowers which the Corporation and Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly owns over 50% of the paid-in capital, the individual and total loan limits are restricted to 40% of the net equity in latest financial statements of the Corporation.

Note 2: The individual and total loan amounts that The Corporation extends to Hon Shin Corp. shall not exceed the net worth of Hon Shin Corp.

Note 3: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Dongguan Paihong Industry Co., Ltd. not exceed 40% of the net worth of lender.

Note 4: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Wuxi Paiwei Biotechnology Co. Ltd. not exceed 40% of the net worth of lender.

Note 5: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender's net worth.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 8: The ending balance amount has been approved by the board of directors.

Note 9: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 10: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 7)	Actual Borrowing Amount (Note 7)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Notes 4 and 5)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Vietnam Paihong Company Limited	Note 1	\$ 15,915,938	\$ 8,026,795 (USD 253,000)	\$ 6,520,691 (USD 206,025)	\$ 4,743,702 (USD 149,880)	\$ -	102.42%	\$ 25,465,500	Y	-	-
		Hong Kong Best Expectation International Trading Limited	Note 1	15,915,938	3,579,863 (USD 112,500)	3,560,625 (USD 112,500)	2,848,500 (USD 90,000)	-	55.93%	25,465,500	Y	-	-
1	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Note 2	6,256,090	447,500 (RMB 100,000)	452,300 (RMB 100,000)	226,150 (RMB 50,000)	-	18.07%	10,009,743	-	Y	Y

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: The company that owns directly or indirectly hold over 50% of the voting shares.

Note 3: The amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall be limited to the net worth 250% of the Corporation, and the total amount shall not exceed the guarantee limit.

Note 4: The total amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall not exceed 400% of the net worth of the Corporation.

Note 5: The amount of endorsements/guarantees provided to Thomas Dynamic Material (Jiangsu) Co., Ltd. in which the Dongguan Paihong Industry Co., Ltd. shall not exceed 250% of the net worth of the Dongguan Paihong Industry Co., Ltd. , and the guarantee limit shall not exceed 400% of the net worth of the net worth of the Dongguan Paihong Industry Co., Ltd.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount (Notes 2 and 3)
Dongguan Paihong Industry Co., Ltd.	Equity	Investments accounted for using equity method	Shanghai Best Expectation Textile Trading Limited	Subsidiaries	-	\$ (64,998) (RMB 14,788)	-	\$ 715,291 (RMB 161,000)	-	\$ -	\$ -	\$ -	-	\$ 281,338 (RMB 62,181)
Shanghai Best Expectation Textile Trading Limited	Stock	Investments accounted for using equity method	Hong Kong Best Expectation International Trading Limited	Subsidiaries	85,063,700	(233,900) (USD 7,621)	10,000,000	320,344 (USD 10,000)	-	-	-	-	95,063,700	(218,191) (USD 6,882)
Hong Kong Best Expectation International Trading Limited	Equity	Investments accounted for using equity method	Vietnam Paihong Company Limited	Subsidiaries	-	2,430,934 (USD 79,171)	-	320,344 (USD 10,000)	-	-	-	-	-	2,566,753 (USD 80,957)

Note 1: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 2: The ending balance included investment income or loss from Investments accounted for using equity method and exchange differences on translating foreign operations.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Wuxi Paihong Real Estate Co., Ltd.	Construction in progress	September 8, 2021, May 19, 2022 and January 6, 2023	RMB 140,756	As of September 30, 2024, RMB 139,914 has been paid	China Construction Dongfang Decoration Co., Ltd.	-	-	-	-	\$ -	Refer to market price and set out by mutual agreement	Operating purpose	-
Vietnam Paihong Company Limited	Construction in progress	March 25, 2022 and May 10, 2022	VND 2,098,996,539	As of September 30, 2024, VND 2,098,996,539 has been paid	NEWTECONS INVESTMENT CONSTRUCTION JOINT STOCK COMPANY	-	-	-	-	-	Refer to market price and set out by mutual agreement	Operating purpose	-
Vietnam Paihong Company Limited	Construction in progress	August 25, 2022	VND 254,164,430	As of September 30, 2024, VND 254,164,430 has been paid	ACTER GROUP CORPORATION LIMITED	-	-	-	-	-	Refer to market price and set out by mutual agreement	Operating purpose	-

Note: The amounts of transactions are according to the contracts.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited (Note 3)	Note 1	Sale	\$ 352,585 (USD 11,018)	(24%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	\$ 8,268 (USD 261)	3%	-
Hong Kong Best Expectation International Trading Limited	Taiwan Paiho Limited	Note 2	Purchase	170,335	13%	About 3 months	Use market price or purchase cost mark up 15% of Taiwan Paiho Limited	About 3 months	(53,330)	(16%)	-
Hong Kong Best Expectation International Trading Limited	Dongguan Paihong Industry Co., Ltd (Note 3)	Note 1	Sale	232,018 (USD 4,563) (RMB 19,373)	(16%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	44,423 (USD 465) (RMB 6,567)	16%	-
Hong Kong Best Expectation International Trading Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd. (Note 3)	Note 1	Sale	195,349 (USD 2,342) (RMB 27,240)	(13%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	32,840 (RMB 7,261)	12%	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	285,549 (USD 8,914)	(21%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	123,695 (USD 3,908)	28%	-
Dongguan Paihong Industry Co., Ltd.	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	170,920 (RMB 38,450)	(6%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	57,268 (RMB 12,661)	7%	-
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	111,304 (RMB 25,053)	(10%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	31,933 (RMB 7,060)	10%	-

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Refer to Note 26 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Vietnam Paihong Company Limited	Note 2	\$ 2,013,049 (USD 63,603)	-	\$ -	-	\$ 7,076 (USD 224)	\$ -
Hon Shin Corp.	Vietnam Paihong Company Limited	Note 2	304,432 (USD 9,619)	-	-	-	3,737 (USD 118)	-
Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Note 2	293,685 (RMB 64,932)	-	-	-	-	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	Note 2	123,695 (USD 3,908)	-	-	-	-	-

Note 1: Included trade receivables, other receivables and receivables from related parties.

Note 2: Refer to Note 10 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of Foreign Currency)**

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Vietnam Paihong Company Limited	1	Receivables from related parties	USD 63,603	-	11
		Vietnam Paihong Company Limited	1	Interest income and other income	USD 3,669	-	2
1	Hon Shin Corp.	Vietnam Paihong Company Limited	3	Receivables from related parties	USD 9,619	-	2
2	Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	3	Receivables from related parties	RMB 64,932	-	2
		Hong Kong Best Expectation International Trading Limited	1		RMB 38,450	-	3
3	Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	1	Sales	USD 11,018	-	7
		Dongguan Paihong Industry Co., Ltd.	2	Sales	USD 4,563	-	3
			2	Sales	RMB 19,373	-	3
		Thomas Dynamic Material (Jiangsu) Co., Ltd.	2	Sales	USD 2,342	-	2
			2	Sales	RMB 27,240	-	2
4	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 25,053	-	2
5	Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	2	Sales	USD 8,914	-	5
			2	Receivables from related parties	USD 3,908	-	1

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount (Note 1)			
The Corporation	Hong Kong Antex Limited	Hong Kong	International investments	USD 54,335	USD 54,335	54,334,644	100	\$ 4,493,744	\$ 257,940	\$ 257,940	Subsidiary
	Hon Shin Corp.	British Samoa	International investments and trade	USD 20,000	USD 20,000	20,000,000	100	345,424	18,774	18,774	Subsidiary
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Hong Kong	International investments and trade	USD 95,064	USD 85,064	95,063,700	100	(218,191)	(292,513)	(Note 3)	Sub - Subsidiary
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Binh Duong Province, Vietnam	Production & marketing of mesh and other fabrics	USD 175,000	USD 165,000	-	100	2,566,753	(259,427)	(Note 3)	Sub - Subsidiary

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: Information on investment in mainland China is on Table 9.

Note 3: Not applicable.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of September 30, 2024 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outward	Inward						
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of Touch Fasteners, Webbing and Embroidery	\$ 1,739,511 (RMB 384,592)	(Note 1)	\$ 1,150,003 (USD 36,335)	\$ -	\$ -	\$ 1,150,003 (USD 36,335)	\$ 289,031	99.99%	\$ 289,002	\$ 4,838,170	\$ 1,858,419 (USD 2,512) (RMB 393,304)
Dongguan Paihong Industry Co., Ltd	Production & Marketing of Touch Fastener, Elastic, Various Type of Webbing and Jacquard Engineered Mesh, And Consumer Electronic Accessories, Etc.	1,614,837 (RMB 357,028)	(Note 1)	569,700 (USD 18,000)	-	-	569,700 (USD 18,000)	380,845	99.99%	380,628	2,622,124	698,062 (RMB 154,336)
Wuxi Paihong Real Estate Co., Ltd.	Commercial Property Management; Planning Consultants, Sales, Development & Leasing of Real Estate and Design Decoration.	1,718,740 (RMB 380,000)	(Note 1)	(Note 2)	-	-	(Note 2)	(54,309)	99.99%	(53,960)	2,575,565	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and Sales of Masks and Non-Woven Products	587,990 (RMB 130,000)	(Note 1)	(Note 3)	-	-	(Note 3)	(4,417)	100%	(4,417)	203,112	-
Shanghai Best Expectation Textile Trading Limited	International investments and trade	3,650,061 (RMB 807,000)	(Note 1)	(Note 4)	-	-	(Note 4)	(291,811)	99.99%	(289,088)	324,034	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Not applicable	Not applicable	Not applicable

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Established in China by Thomas Dynamic Material (Jiangsu) Co., Ltd. which was reinvested in by the Corporation through Hong Kong Antex Limited. The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd..

Note 3: The investment was funded by Hong Kong Antex Limited.

Note 4: The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd. and Dongguan Paihong Industry Co., Ltd.

Note 5: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The investment gain (loss) is recognized according to the financial statements audited by the Corporation's independent auditors.

Note 7: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Paiho INT'L Limited	199,247,299	49.81%
Kuo-Ian Cheng	34,966,301	8.74%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.