

**Quang Viet Enterprise Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2023 and 2022 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Quang Viet Enterprise Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Quang Viet Enterprise Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2023 and 2022, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the 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 financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements of 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.

### **Basis for Qualified Conclusion**

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$2,165,634 thousand and NT\$2,044,281 thousand, respectively, representing 12% and 10%, respectively, of the ending balance of consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,011,698 thousand and NT\$870,305 thousand, respectively, representing 12% and 7%, respectively, of the ending balance of consolidated total liabilities; for the three months and nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries in the period were NT\$274 thousand, NT\$29,232 thousand, NT\$4,160 thousand and NT\$33,946 thousand, respectively, representing 0%, 2%, 0% and 2%, respectively, of the consolidated total comprehensive income. As disclosed in Note 14, the investments accounted for using the equity method, as of September 30, 2023 and 2022, were NT\$489,032 thousand and NT\$539,143 thousand, respectively, and the consolidated equity in these investees' net loss and gain for the three months and nine months ended September 30, 2023 and 2022 amounted to NT\$51,240 thousand, NT\$61,327 thousand, NT\$61,257 thousand and NT\$95,624 thousand, respectively, and the related investment amounts are based on these

investees' unreviewed financial statements. In addition, related investments information on non-significant subsidiaries and associates stated above shown in Note 41 to the consolidated financial statements were also not reviewed.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, 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, 2023 and 2022, and its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022 and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 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 Yi-Chen Lu and Yi-Min Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 2, 2023

### Notice to Readers

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

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

# QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2023 (Reviewed)		December 31, 2022 (Audited after Restatement)		September 30, 2022 (Reviewed after Restatement)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,375,834	18	\$ 3,765,488	23	\$ 5,632,990	26
Financial assets at fair value through profit or loss - current (Note 7)	65,481	-	43,659	-	24,127	-
Financial assets at amortized cost - current (Notes 9, 10 and 37)	1,605,667	9	1,151,686	7	1,125,972	5
Notes receivable (Note 26)	66	-	36	-	36	-
Trade receivables (Notes 11, 26 and 36)	4,428,268	24	1,815,709	11	4,609,456	22
Other receivables (Note 19 and 36)	76,673	-	51,445	-	118,633	1
Current tax assets (Note 4)	4,025	-	15,385	-	3,960	-
Inventories (Note 12)	3,038,568	17	4,237,872	26	4,602,691	21
Prepayments (Note 19)	208,324	1	204,171	1	336,957	2
Other current assets	5,453	-	7,155	-	2,043	-
Total current assets	<u>12,808,359</u>	<u>69</u>	<u>11,292,606</u>	<u>68</u>	<u>16,456,865</u>	<u>77</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	77,770	1	77,628	1	77,170	-
Financial asset at amortized cost - non-current (Notes 9 and 10)	179,782	1	60,000	-	60,000	-
Investments accounted for using the equity method (Note 14)	489,032	3	539,177	3	539,143	3
Property, plant and equipment (Note 15)	3,481,160	19	3,098,359	19	3,094,298	14
Right-of-use assets (Note 16)	583,466	3	622,077	4	601,974	3
Investment properties (Note 17)	219,441	1	102,134	1	105,306	-
Other intangible assets (Note 18)	397,675	2	383,685	2	377,520	2
Deferred tax assets (Note 4)	156,895	1	173,068	1	111,215	1
Prepayments for equipment	10,424	-	8,471	-	4,513	-
Refundable deposits	33,998	-	32,987	-	45,268	-
Net defined benefit assets (Notes 4 and 24)	15,923	-	14,001	-	6,270	-
Other non-current assets (Note 19)	36,878	-	81,967	1	25,571	-
Total non-current assets	<u>5,682,444</u>	<u>31</u>	<u>5,193,554</u>	<u>32</u>	<u>5,048,248</u>	<u>23</u>
<b>TOTAL</b>	<u>\$ 18,490,803</u>	<u>100</u>	<u>\$ 16,486,160</u>	<u>100</u>	<u>\$ 21,505,113</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 20 and 37)	\$ 3,036,078	16	\$ 1,267,924	8	\$ 4,581,343	21
Contract liabilities - current (Note 26)	163,498	1	85,726	1	94,911	1
Notes payable (Note 22)	10,924	-	22,847	-	3,675	-
Trade payables to unrelated parties (Note 22)	513,524	3	806,195	5	710,571	3
Trade payables to related parties (Notes 22 and 36)	59,466	-	154,815	1	88,393	-
Dividends payable (Note 31)	102,097	-	78,573	-	-	-
Other payables to unrelated parties (Note 23)	1,219,088	7	1,104,281	7	1,380,600	7
Other payables to related parties (Note 36)	123,560	1	169,333	1	196,830	1
Current tax liabilities (Note 4)	331,297	2	411,377	3	342,880	2
Lease liabilities - current (Note 16)	27,541	-	35,579	-	33,265	-
Current portion of bonds payable (Note 21)	-	-	-	-	1,497,570	7
Current portion of long-term borrowings (Note 20)	39,000	-	59,372	-	59,372	-
Other current liabilities	14,302	-	11,530	-	9,151	-
Total current liabilities	<u>5,640,375</u>	<u>30</u>	<u>4,207,552</u>	<u>26</u>	<u>8,998,561</u>	<u>42</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 21)	1,440,048	8	1,418,366	9	-	-
Long-term borrowings (Note 20)	388,000	2	457,557	3	467,743	2
Deferred tax liabilities (Note 4)	473,107	3	428,768	2	510,204	2
Lease liabilities - non-current (Note 16)	192,236	1	204,007	1	212,289	1
Deferred revenue (Notes 30)	17,978	-	-	-	-	-
Guarantee deposits received	2,224	-	2,163	-	923	-
Other non-current liabilities (Note 23)	-	-	-	-	1,524,631	7
Total non-current liabilities	<u>2,513,593</u>	<u>14</u>	<u>2,510,861</u>	<u>15</u>	<u>2,715,790</u>	<u>12</u>
Total liabilities	<u>8,153,968</u>	<u>44</u>	<u>6,718,413</u>	<u>41</u>	<u>11,714,351</u>	<u>54</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>						
Share capital						
Ordinary shares	1,034,255	6	1,033,809	6	1,033,753	5
Bond conversion entitlement certificates	-	-	446	-	56	-
Total share capital	<u>1,034,255</u>	<u>6</u>	<u>1,034,255</u>	<u>6</u>	<u>1,033,809</u>	<u>5</u>
Capital surplus	3,083,238	17	3,083,508	19	2,952,661	14
Retained earnings						
Legal reserve	973,126	5	855,395	5	855,395	4
Special reserve	324,770	2	496,737	3	496,737	2
Unappropriated earnings	3,003,628	16	2,793,019	17	2,883,709	13
Total retained earnings	<u>4,301,524</u>	<u>23</u>	<u>4,145,151</u>	<u>25</u>	<u>4,235,841</u>	<u>19</u>
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(160,101)	(1)	(291,862)	(2)	(187,114)	(1)
Unrealized loss on financial assets at fair value through other comprehensive income	(32,766)	-	(32,908)	-	(38,771)	-
Total other equity	<u>(192,867)</u>	<u>(1)</u>	<u>(324,770)</u>	<u>(2)</u>	<u>(225,885)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	8,226,150	45	7,938,144	48	7,996,426	37
<b>NON-CONTROLLING INTERESTS (Note 25)</b>	<u>2,110,685</u>	<u>11</u>	<u>1,829,603</u>	<u>11</u>	<u>1,794,336</u>	<u>9</u>
Total equity	<u>10,336,835</u>	<u>56</u>	<u>9,767,747</u>	<u>59</u>	<u>9,790,762</u>	<u>46</u>
<b>TOTAL</b>	<u>\$ 18,490,803</u>	<u>100</u>	<u>\$ 16,486,160</u>	<u>100</u>	<u>\$ 21,505,113</u>	<u>100</u>

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

# QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 36)	\$ 6,513,422	100	\$ 7,785,295	100	\$ 13,923,765	100	\$ 15,615,893	100
OPERATING COSTS (Notes 12, 27 and 36)	(5,464,065)	(84)	(6,388,101)	(82)	(11,701,063)	(84)	(12,880,330)	(82)
GROSS PROFIT	1,049,357	16	1,397,194	18	2,222,702	16	2,735,563	18
OPERATING EXPENSES (Notes 24 and 27)								
Selling and marketing expenses	(60,213)	(1)	(81,817)	(1)	(170,974)	(1)	(186,132)	(1)
General and administrative expenses	(297,683)	(4)	(342,611)	(4)	(831,124)	(6)	(876,319)	(6)
Research and development expenses	(52,543)	(1)	(58,928)	(1)	(155,866)	(1)	(152,922)	(1)
Expected credit loss (Notes 11)	(9,734)	-	(6,521)	-	(11,025)	-	(12,929)	-
Total operating expenses	(420,173)	(6)	(489,877)	(6)	(1,168,989)	(8)	(1,228,302)	(8)
PROFIT FROM OPERATIONS	629,184	10	907,317	12	1,053,713	8	1,507,261	10
NON-OPERATING INCOME AND EXPENSES (Notes 27 and 36)								
Interest income	43,978	1	22,552	-	115,213	1	47,020	-
Other income	24,872	-	64,034	1	45,134	-	92,393	-
Other gains and losses	180,622	3	280,048	3	182,032	1	284,889	2
Finance costs	(34,624)	(1)	(30,030)	-	(103,994)	(1)	(60,794)	-
Share of profit of associates	51,240	1	61,327	1	61,257	1	95,624	1
Total non-operating income and expenses	266,088	4	397,931	5	299,642	2	459,132	3
PROFIT BEFORE INCOME TAX	895,272	14	1,305,248	17	1,353,355	10	1,966,393	13
INCOME TAX EXPENSE (Notes 4 and 28)	(187,587)	(3)	(278,099)	(4)	(325,305)	(2)	(475,365)	(3)
NET PROFIT FOR THE PERIOD	707,685	11	1,027,149	13	1,028,050	8	1,491,028	10

(Continued)

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 28)								
Items that will not be subsequently reclassified to profit or loss:								
Unrealized profit or loss on investments in equity instruments at fair value through other comprehensive income	(2,575)	-	(1,541)	-	142	-	(10,077)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	212,560	3	208,891	3	213,443	1	444,449	3
Income tax benefit (expense) related to items that may be reclassified	(35,047)	-	(34,771)	(1)	(34,874)	-	(75,079)	(1)
	<u>177,513</u>	<u>3</u>	<u>174,120</u>	<u>2</u>	<u>178,569</u>	<u>1</u>	<u>369,370</u>	<u>2</u>
Other comprehensive income (loss) for the period, net of income tax	174,938	3	172,579	2	178,711	1	359,293	2
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 882,623</u>	<u>14</u>	<u>\$ 1,199,728</u>	<u>15</u>	<u>\$ 1,206,761</u>	<u>9</u>	<u>\$ 1,850,321</u>	<u>12</u>
<b>NET PROFIT</b>								
<b>ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 650,127	10	\$ 923,878	12	\$ 859,666	6	\$ 1,268,000	8
Non-controlling interests	57,558	1	103,271	1	168,384	2	223,028	2
	<u>\$ 707,685</u>	<u>11</u>	<u>\$ 1,027,149</u>	<u>13</u>	<u>\$ 1,028,050</u>	<u>8</u>	<u>\$ 1,491,028</u>	<u>10</u>
<b>TOTAL COMPREHENSIVE INCOME</b>								
<b>ATTRIBUTABLE TO:</b>								
Owners of the Company	\$ 781,619	12	\$ 1,051,450	13	\$ 991,569	7	\$ 1,538,852	10
Non-controlling interests	101,004	2	148,278	2	215,192	2	311,469	2
	<u>\$ 882,623</u>	<u>14</u>	<u>\$ 1,199,728</u>	<u>15</u>	<u>\$ 1,206,761</u>	<u>9</u>	<u>\$ 1,850,321</u>	<u>12</u>
<b>EARNINGS PER SHARE</b> (Note 29)								
Basic	<u>\$ 6.29</u>		<u>\$ 8.94</u>		<u>\$ 8.31</u>		<u>\$ 12.27</u>	
Diluted	<u>\$ 5.70</u>		<u>\$ 8.14</u>		<u>\$ 7.63</u>		<u>\$ 11.23</u>	

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

(Concluded)

**QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital			Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Shares (In Thousands)	Share Capital	Bond Conversion Entitlement Certificates	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2022	103,375	\$ 1,033,753	\$ -	\$ 2,951,918	\$ 794,021	\$ 435,908	\$ 2,172,088	\$ (468,043)	\$ (28,694)	\$ 6,890,951	\$ 1,500,618	\$ 8,391,569
Appropriation of 2021 earnings												
Legal reserve	-	-	-	-	61,374	-	(61,374)	-	-	-	-	-
Special reserve	-	-	-	-	-	60,829	(60,829)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(434,176)	-	-	(434,176)	-	(434,176)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,751)	(17,751)
Convertible bonds converted to ordinary shares	-	-	56	743	-	-	-	-	-	799	-	799
Net profit for the nine months ended September 30, 2022	-	-	-	-	-	-	1,268,000	-	-	1,268,000	223,028	1,491,028
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	-	280,929	(10,077)	270,852	88,441	359,293
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	1,268,000	280,929	(10,077)	1,538,852	311,469	1,850,321
BALANCE AT SEPTEMBER 30, 2022	<u>103,375</u>	<u>\$ 1,033,753</u>	<u>\$ 56</u>	<u>\$ 2,952,661</u>	<u>\$ 855,395</u>	<u>\$ 496,737</u>	<u>\$ 2,883,709</u>	<u>\$ (187,114)</u>	<u>\$ (38,771)</u>	<u>\$ 7,996,426</u>	<u>\$ 1,794,336</u>	<u>\$ 9,790,762</u>
BALANCE AT JANUARY 1, 2023	103,381	\$ 1,033,809	\$ 446	\$ 3,083,508	\$ 855,395	\$ 496,737	\$ 2,793,019	\$ (291,862)	\$ (32,908)	\$ 7,938,144	\$ 1,829,603	\$ 9,767,747
Appropriation of 2022 earnings												
Legal reserve	-	-	-	-	117,731	-	(117,731)	-	-	-	-	-
Special reserve	-	-	-	-	-	(171,967)	171,967	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(703,293)	-	-	(703,293)	-	(703,293)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	640	-	-	-	-	-	640	-	640
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(153,033)	(153,033)
Net profit (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	859,666	-	-	859,666	168,384	1,028,050
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	131,761	142	131,903	46,808	178,711
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	859,666	131,761	142	991,569	215,192	1,206,761
Convertible bonds converted to ordinary shares	44	446	(446)	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	215,612	215,612
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(2,043)	-	-	-	-	-	(2,043)	2,043	-
Share-based payment	-	-	-	1,133	-	-	-	-	-	1,133	1,268	2,401
BALANCE AT SEPTEMBER 30, 2023	<u>103,425</u>	<u>\$ 1,034,255</u>	<u>\$ -</u>	<u>\$ 3,083,238</u>	<u>\$ 973,126</u>	<u>\$ 324,770</u>	<u>\$ 3,003,628</u>	<u>\$ (160,101)</u>	<u>\$ (32,766)</u>	<u>\$ 8,226,150</u>	<u>\$ 2,110,685</u>	<u>\$ 10,336,835</u>

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

# QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,353,355	\$ 1,966,393
Adjustments for:		
Depreciation expense	290,392	259,817
Amortization expense	5,305	4,904
Expected credit loss recognized on trade receivables	11,025	12,929
Net loss on fair value changes of financial assets at fair value through profit or loss	(7,666)	2,925
Finance costs	103,994	60,794
Interest income	(115,213)	(47,020)
Dividend income	(3,688)	(3,191)
Share-based payment	2,401	-
Share of profit of associates	(61,257)	(95,624)
Loss on disposal of property, plant and equipment	1,825	3,537
Write-down of inventories	78,448	-
Gain on lease modifications	-	(8,886)
Changes in operating assets and liabilities		
Notes receivable	(30)	(24)
Trade receivables	(2,600,489)	(2,584,029)
Trade receivables from related parties	(23,593)	-
Other receivables	(5,273)	(9,949)
Inventories	1,117,748	(407,691)
Prepayments	(4,153)	(137,718)
Other current assets	1,702	3,186
Other non-current assets	42	(799)
Contract liabilities	77,772	(76,705)
Notes payable	(11,923)	(3,727)
Trade payables	(292,671)	(16,912)
Trade payables to related parties	(95,349)	(28,732)
Other payables	111,474	377,986
Other payables to related parties	(45,773)	41,292
Other current liabilities	2,772	1,463
Deferred revenue	17,978	-
Net defined benefit liabilities	(1,922)	(2,076)
Cash used in operations	(92,767)	(687,857)
Interest paid	(81,515)	(44,255)
Income tax paid	(368,387)	(175,988)
Net cash used in operating activities	<u>(542,669)</u>	<u>(908,100)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(573,763)	-
Proceeds from sale of financial assets at amortized cost	-	569,194
Purchase of financial assets at fair value through profit or loss	(36,743)	(68,947)

(Continued)



# QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2023	2022
Proceeds from sale of financial assets at fair value through profit or loss	\$ 22,587	\$ 122,190
Payments for property, plant and equipment	(561,322)	(184,593)
Proceeds from disposal of property, plant and equipment	10,323	9,117
Increase in refundable deposits	(1,011)	(8,776)
Payments for intangible assets	(4,456)	(5,801)
Increase in prepayments for buildings and land	(33,600)	-
Increase in prepayments for equipment	(12,549)	(4,170)
Interest received	95,078	35,653
Dividends received from associates	123,613	-
Other dividends received	<u>3,688</u>	<u>3,403</u>
Net cash (used in) generated from investing activities	<u>(968,155)</u>	<u>467,270</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,768,154	2,655,142
Proceeds from long-term borrowings	-	338,815
Repayments of long-term borrowings	(89,929)	-
Proceeds from guarantee deposits received	61	-
Repayments of guarantee deposits received	-	(67)
Repayments of the principal portion of lease liabilities	(30,663)	(28,833)
Increase in other non-current liabilities (Note 23)	-	1,524,631
Dividends paid to owners of the Company	(703,293)	(434,176)
Dividends paid to non-controlling interests	(120,625)	(17,751)
Increase in non-controlling interests	<u>215,612</u>	<u>-</u>
Net cash generated from financing activities	<u>1,039,317</u>	<u>4,037,761</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>81,853</u>	<u>216,659</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(389,654)</b>	<b>3,813,590</b>
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1, 2023</b>	<u>3,765,488</u>	<u>1,819,400</u>
<b>CASH AND CASH EQUIVALENTS SEPTEMBER 30, 2023</b>	<u>\$ 3,375,834</u>	<u>\$ 5,632,990</u>

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

(Concluded)

# QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

Quang Viet Enterprise Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in October 1995. The Company and its subsidiaries (the “Group”) is mainly engaged in the manufacturing, processing and sale of garments, raw material such as feather and down and medical products.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange (TWSE) since October 18, 2016.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 2, 2023.

### 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 “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

#### Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Group applied the original IAS 12 in the current year, [the following adjustments should be made to reflect the line items and balances under the amendments to IAS 12.

Impact on assets, liabilities and equity for 2023

	<b>September 30, 2023</b>
Increase in deferred tax assets	\$ 5,389
Increase in assets	<u>\$ 5,389</u>
Increase in deferred tax liabilities	<u>\$ 5,389</u>
Increase in liabilities	<u>\$ 5,389</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for 2022

	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
<u>December 31, 2022</u>			
Deferred tax assets	\$ 165,353	\$ 7,715	\$ 173,068
Total effect on assets	<u>\$ 165,353</u>	<u>\$ 7,715</u>	<u>\$ 173,068</u>
Deferred tax liabilities	\$ 421,053	\$ 7,715	\$ 428,768
Total effect on liabilities	<u>\$ 421,053</u>	<u>\$ 7,715</u>	<u>\$ 428,768</u>
<u>September 30, 2022</u>			
Deferred tax assets	\$ 103,883	\$ 7,332	\$ 111,215
Total effect on assets	<u>\$ 103,883</u>	<u>\$ 7,332</u>	<u>\$ 111,215</u>
Deferred tax liabilities	\$ 502,872	\$ 7,332	\$ 510,204
Total effect on liabilities	<u>\$ 502,872</u>	<u>\$ 7,332</u>	<u>\$ 510,204</u>
<u>January 1, 2022</u>			
Deferred tax assets	\$ 207,993	\$ 1,959	\$ 209,952
Total effect on assets	<u>\$ 207,993</u>	<u>\$ 1,959</u>	<u>\$ 209,952</u>
Deferred tax liabilities	\$ 403,168	\$ 1,959	\$ 405,127
Total effect on liabilities	<u>\$ 403,168</u>	<u>\$ 1,959</u>	<u>\$ 405,127</u>

- b. The IFRSs endorsed by the FSC for application starting from 2024

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

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

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
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 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial

application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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 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 financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligations 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 based on 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 Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

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 Company 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 Company.

See Note 13, Table 8 and Table 9 of Note 41 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) 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

2) 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.

### 3) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

## 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.

For the material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2022

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 9,529	\$ 7,012	\$ 8,113
Checking accounts and demand deposits	852,578	1,063,315	2,257,483
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	2,483,727	2,695,161	3,367,394
Short-term notes	<u>30,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,375,834</u>	<u>\$ 3,765,488</u>	<u>\$ 5,632,990</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets			
Redemption value of bonds	\$ -	\$ 450	\$ -
Non-derivative financial assets			
Domestic listed shares	60,031	40,320	21,110
Domestic bonds	<u>5,450</u>	<u>2,889</u>	<u>3,017</u>
	<u>\$ 65,481</u>	<u>\$ 43,659</u>	<u>\$ 24,127</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 71,818	\$ 71,676	\$ 70,678
Unlisted shares	<u>5,952</u>	<u>5,952</u>	<u>6,492</u>
	<u>\$ 77,770</u>	<u>\$ 77,628</u>	<u>\$ 77,170</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 1,598,667	\$ 1,144,686	\$ 1,118,972
Pledged time deposits	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
	<u>\$ 1,605,667</u>	<u>\$ 1,151,686</u>	<u>\$ 1,125,972</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 179,782</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

- a. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
- b. Refer to Note 37 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at amortized cost were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Gross carrying amount			
Current	\$ 1,605,667	\$ 1,151,686	\$ 1,125,972
Non-current	179,782	60,000	60,000
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,785,449</u>	<u>\$ 1,211,686</u>	<u>\$ 1,185,972</u>



In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to the degree of risk of default. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate the debtors.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default of each credit rating supplied by internal rating agencies and the current financial condition of debtors. The Group's current credit risk grading mechanism is as follows:

<u>Category</u>	<u>Description</u>	<u>Basis for Recognizing Expected Credit Losses (ECLs)</u>
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were shown below:

<u>Category</u>	<u>Expected Loss Rate</u>	<u>Gross Carrying Amount at Amortized Cost</u>		
		<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Performing	0%-0.01%	<u>\$ 1,785,449</u>	<u>\$ 1,211,686</u>	<u>\$ 1,185,972</u>

## 11. TRADE RECEIVABLES

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,472,452	\$ 1,845,093	\$ 4,642,952
Less: Allowance for impairment loss	<u>(44,184)</u>	<u>(29,384)</u>	<u>(33,496)</u>
	<u>\$ 4,428,268</u>	<u>\$ 1,815,709</u>	<u>\$ 4,609,456</u>

The average credit period of sales of goods is 30-90 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining 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 at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence 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 following table details the loss allowance of trade receivables based on the Group's provision matrix:

September 30, 2023

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%~1.00%	0.01%~1.00%	0.01%~8.38%	0.01%~16.75%	0.01%~33.17%	100%	
Gross carrying amount	\$ 2,209,740	\$ 1,222,611	\$ 875,678	\$ 79,566	\$ 62,271	\$ 22,586	\$ 4,472,452
Loss allowance (Lifetime ECLs)	<u>(1,853)</u>	<u>(1,443)</u>	<u>(3,745)</u>	<u>(5,848)</u>	<u>(8,709)</u>	<u>(22,586)</u>	<u>(44,184)</u>
Amortized cost	<u>\$ 2,207,887</u>	<u>\$ 1,221,168</u>	<u>\$ 871,933</u>	<u>\$ 73,718</u>	<u>\$ 53,562</u>	<u>\$ -</u>	<u>\$ 4,428,268</u>

December 31, 2022

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%-1.44%	0.01%-2.89%	0.01%-14.43%	0.01%-29.96%	0.01%-37.94%	100%	
Gross carrying amount	\$ 1,319,680	\$ 382,392	\$ 57,643	\$ 54,195	\$ 21,842	\$ 9,341	\$ 1,845,093
Loss allowance (Lifetime ECLs)	<u>(3,724)</u>	<u>(2,333)</u>	<u>(1,705)</u>	<u>(6,613)</u>	<u>(5,668)</u>	<u>(9,341)</u>	<u>(29,384)</u>
Amortized cost	<u>\$ 1,315,956</u>	<u>\$ 380,059</u>	<u>\$ 55,938</u>	<u>\$ 47,582</u>	<u>\$ 16,174</u>	<u>\$ -</u>	<u>\$ 1,815,709</u>

September 30, 2022

	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Over 365 Days	Total
Expect credit loss rate	0.01%~0.90%	0.01%~1.80%	0.01%~7.24%	0.01%~17.97%	0.01%~66.16%	100%	
Gross carrying amount	\$ 2,821,086	\$ 1,371,649	\$ 307,298	\$ 117,969	\$ 13,966	\$ 10,984	\$ 4,642,952
Loss allowance (Lifetime ECLs)	<u>(2,225)</u>	<u>(2,033)</u>	<u>(2,837)</u>	<u>(8,575)</u>	<u>(6,842)</u>	<u>(10,984)</u>	<u>(33,496)</u>
Amortized cost	<u>\$ 2,818,861</u>	<u>\$ 1,369,616</u>	<u>\$ 304,461</u>	<u>\$ 109,394</u>	<u>\$ 7,124</u>	<u>\$ -</u>	<u>\$ 4,609,456</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 29,384	\$ 27,975
Add: Impairment losses recognized	10,937	8,197
Add: Amounts recovered	3,277	-
Less: Amounts written off	-	( 3,576)
Foreign exchange gains and losses	<u>586</u>	<u>900</u>
Balance at September 30	<u>\$ 44,184</u>	<u>\$ 33,496</u>

**12. INVENTORIES**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Raw materials	\$ 1,276,975	\$ 1,763,688	\$ 1,569,027
Work in progress	1,018,392	1,603,179	1,720,762
Finished goods	<u>743,201</u>	<u>871,005</u>	<u>1,312,902</u>
	<u>\$ 3,038,568</u>	<u>\$ 4,237,872</u>	<u>\$ 4,602,691</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cost of inventories sold	\$ 5,421,715	\$ 6,388,101	\$ 11,622,615	\$ 12,880,330
Inventory write-downs	<u>42,350</u>	<u>-</u>	<u>78,448</u>	<u>-</u>
	<u>\$ 5,464,065</u>	<u>\$ 6,388,101</u>	<u>\$ 11,701,063</u>	<u>\$ 12,880,330</u>

### 13. SUBSIDIARIES

#### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Proportion of Ownership (%)			Remark
		September 30, 2023	December 31, 2022	September 30, 2022	
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Spring Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Quang Viet (Tien Giang) Co., Ltd.	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Q.V.S. Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Q Gear Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Top One Down & Feather Co., Ltd.	95.68	95.68	95.68	
Quang Viet Enterprise Co., Ltd.	Biancospino S.R.L.	51.00	51.00	51.00	6)
Quang Viet Enterprise Co., Ltd.	Atlanta Garment Manufacturing Company LLC	60.00	60.00	60.00	6)
Quang Viet Enterprise Co., Ltd.	King Hamm Industrial Co., Ltd.	45.65	47.46	42.00	1)
Quang Viet Enterprise Co., Ltd.	W&D Apparel (Jordan) Corp.	65.00	65.00	65.00	6)
Quang Viet Enterprise Co., Ltd.	Q.V.P. Limited	100.00	100.00	100.00	
Quang Viet Enterprise Co., Ltd.	Sidney Apparels LLC	100.00	100.00	100.00	6)
Quang Viet Enterprise Co., Ltd.	Golden Style Apparels LLC	100.00	100.00	-	2)
Spring Co., Ltd.	Jiaxing Quang Viet Garment Co., Ltd.	100.00	100.00	100.00	
Q.V.S. Limited	Top One Apparel Shu Yang Co., Ltd.	100.00	100.00	100.00	
Top One Apparel Shu Yang Co., Ltd.	Zhejiang Shang Hong Garment Co., Ltd.	100.00	100.00	100.00	3)
Top One Down & Feather Co., Ltd.	T.O.D. Limited	100.00	100.00	100.00	
T.O.D. Limited	Top One Down & Feather Shu Yang Co., Ltd.	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	King Hung Garments Industrial Co., Ltd.	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	100.00	100.00	100.00	
King Hamm Industrial Co., Ltd.	Kingsville Garment Industry	100.00	100.00	-	4)
Q.V.P. Limited	Principle & Will Co., Ltd.	50.00	50.00	50.00	
Principle & Will Co., Ltd.	Joykey Industrial Limited	100.00	100.00	100.00	
Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	100.00	100.00	100.00	
Joykey Industrial Limited	Principle & Will Biotech (Xiantao) Co., Ltd.	29.27	100.00	100.00	5)
Joykey Industrial Limited	Joykey Industrial (Pinghu) Limited	100.00	100.00	100.00	
Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	70.73%	-	-	5)

- 1) The Company invested in King Hamm Industrial Co., Ltd. on May 16, 2023 by cash in the amount of \$137,488 thousand for 4,166,310 newly issued common shares. The Company decreased its continuing interest to 45.65% in King Hamm Industrial Co., Ltd. after the subscription, and the remaining 54.35% interest is dispersed and held by other shareholders. Considering the Group's absolute size of holding, and the relative size of and dispersion of the shareholdings owned by the

other shareholders, the directors of the Company concluded that the Group has the practical ability to direct the relevant activities of King Hamm Industrial Co., Ltd. and therefore, the Group has control over King Hamm Industrial Co., Ltd. and deems it a subsidiary.

- 2) The Company established Golden Style Apparels LLC on November 4, 2022 by cash in the amount of US\$71 thousand.
  - 3) Top One Apparel Shu Yang Co., Ltd. established Zhejiang Shang Hong Garment Co., Ltd. on January 28, 2022 by cash in the amount of RMB10,000 thousand.
  - 4) King Hamm Industrial Co., Ltd. established Kingsville Garment Industry on December 1, 2022 by cash in the amount of US\$71 thousand.
  - 5) Principle & Will Biotech (Pinghu) Co., Ltd. invested in Principle & Will Biotech (Xiantao) Co., Ltd. on June 1, 2023 by cash in the amount of RMB30,000 thousand. Principle & Will Biotech (Pinghu) Co., Ltd holds a 70.73% interest in Principle & Will Biotech (Xiantao) Co., Ltd. after the subscription. Joykey Industrial Limited decreased its interest in Principle & Will Biotech (Xiantao) Co., Ltd. to 29.27%
  - 6) The financial statements for the nine months ended September 30, 2023 and 2022 were not reviewed by independent auditors, however, management believes that there is no significant difference if the financial statements were reviewed by independent auditors.
  - 7) Refer to Table 8 and Table 9 for information relating to the nature of activities of subsidiaries.
- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		September 30, 2023	December 31, 2022	September 30, 2022
King Hamm Industrial Co., Ltd. and subsidiaries	Taiwan	54.35%	52.54%	58.00%
Principle & Will Co., Ltd. and subsidiaries	Mainland China	50.00%	50.00%	50.00%

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended September 30		For the Nine Months Ended September 30		September 30, 2023	December 31, 2022	September 30, 2022
	2023	2022	2023	2022			
King Hamm Industrial Co., Ltd. and subsidiaries	<u>\$ 25,028</u>	<u>\$ 51,950</u>	<u>\$ 91,785</u>	<u>\$154,572</u>	<u>\$910,651</u>	<u>\$697,983</u>	<u>\$616,531</u>
Principle & Will Co., Ltd. and subsidiaries	<u>\$ 3,064</u>	<u>\$ 6,703</u>	<u>\$ 1,631</u>	<u>\$ 15,501</u>	<u>\$625,826</u>	<u>\$618,925</u>	<u>\$612,033</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

King Hamm Industrial Co., Ltd. and subsidiaries:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 1,798,701	\$ 1,641,481	\$ 1,516,764
Non-current assets	334,812	241,296	225,524
Current liabilities	(445,014)	(520,695)	(629,510)
Non-current liabilities	<u>(12,968)</u>	<u>(33,603)</u>	<u>(49,794)</u>
Equity	<u>\$ 1,675,531</u>	<u>\$ 1,328,479</u>	<u>\$ 1,062,984</u>
Equity attributable to:			
Owners of King Hamm Industrial Co., Ltd.	\$ 764,880	\$ 630,496	\$ 446,453
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>910,651</u>	<u>697,983</u>	<u>616,531</u>
	<u>\$ 1,675,531</u>	<u>\$ 1,328,479</u>	<u>\$ 1,062,984</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue	<u>\$ 335,558</u>	<u>\$ 520,777</u>	<u>\$ 1,160,101</u>	<u>\$ 1,591,436</u>
Profit for the period	\$ 47,719	\$ 89,569	\$ 171,927	\$ 266,504
Other comprehensive income (loss) for the period	<u>9,570</u>	<u>16,858</u>	<u>13,511</u>	<u>32,464</u>
Total comprehensive income for the period	<u>\$ 57,289</u>	<u>\$ 106,427</u>	<u>\$ 185,438</u>	<u>\$ 298,968</u>
Profit attributable to:				
Owners of King Hamm Industrial Co., Ltd.	\$ 22,691	\$ 37,619	\$ 80,142	\$ 111,932
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>25,028</u>	<u>51,950</u>	<u>91,785</u>	<u>154,572</u>
	<u>\$ 47,719</u>	<u>\$ 89,569</u>	<u>\$ 171,927</u>	<u>\$ 266,504</u>
Total comprehensive income attributable to:				
Owners of King Hamm Industrial Co., Ltd.	\$ 27,133	\$ 44,700	\$ 86,315	\$ 125,567
Non-controlling interests of King Hamm Industrial Co., Ltd.	<u>30,156</u>	<u>61,727</u>	<u>99,123</u>	<u>173,401</u>
	<u>\$ 57,289</u>	<u>\$ 106,427</u>	<u>\$ 185,438</u>	<u>\$ 298,968</u>

Principle & Will Co., Ltd. and subsidiaries:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 1,003,787	\$ 1,125,233	\$ 1,172,053
Non-current assets	486,763	415,422	391,953
Current liabilities	(218,583)	(300,633)	(338,796)
Non-current liabilities	<u>(20,315)</u>	<u>(2,172)</u>	<u>(1,144)</u>
Equity	<u>\$ 1,251,652</u>	<u>\$ 1,237,850</u>	<u>\$ 1,224,066</u>
Equity attributable to:			
Owners of Principle & Will Co., Ltd.	\$ 625,826	\$ 618,925	\$ 612,033
Non-controlling interests of Principle & Will Co., Ltd.	<u>625,826</u>	<u>618,925</u>	<u>612,033</u>
	<u>\$ 1,251,652</u>	<u>\$ 1,237,850</u>	<u>\$ 1,224,066</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue	<u>\$ 149,094</u>	<u>\$ 184,988</u>	<u>\$ 460,674</u>	<u>\$ 567,336</u>
Profit (loss) for the period	\$ 6,128	\$ 13,406	\$ 3,262	\$ 31,002
Other comprehensive (loss) income for the period	<u>3,623</u>	<u>(38,420)</u>	<u>(19,371)</u>	<u>(73,156)</u>
Total comprehensive income (loss) for the period	<u>\$ 9,751</u>	<u>\$ (25,014)</u>	<u>\$ (16,109)</u>	<u>\$ (42,154)</u>
Profit (loss) attributable to:				
Owners of Principle & Will Co., Ltd.	\$ 3,064	\$ 6,703	\$ 1,631	\$ 15,501
Non-controlling interests of Principle & Will Co., Ltd.	<u>3,064</u>	<u>6,703</u>	<u>1,631</u>	<u>15,501</u>
	<u>\$ 6,128</u>	<u>\$ 13,406</u>	<u>\$ 3,262</u>	<u>\$ 31,002</u>
Total comprehensive income (loss) attributable to:				
Owners of Principle & Will Co., Ltd.	\$ 4,875	\$ (12,507)	\$ (8,055)	\$ (21,077)
Non-controlling interests of Principle & Will Co., Ltd.	<u>4,876</u>	<u>(12,507)</u>	<u>(8,054)</u>	<u>(21,077)</u>
	<u>\$ 9,751</u>	<u>\$ (25,014)</u>	<u>\$ (16,109)</u>	<u>\$ (42,154)</u>

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
Material associate			
Anhui Xingxing Garment Co., Ltd.	\$ 489,032	\$ 539,177	\$ 539,143

### Investments in Associate

	<u>Proportion of Ownership and Voting Rights</u>		
	September 30, 2023	December 31, 2022	September 30, 2022
Material associate			
Anhui Xingxing Garment Co., Ltd.	19.02%	18.97%	18.97%

Anhui Xingxing Garment Co., Ltd. redeemed and cancelled 140,000 restricted employee shares in August 2023, resulting in an increase of continuing interest of the Group to 19.02%. The Group has significant influence because it was still elected as one of the directors and one of supervisors of Anhui Xingxing Garment Co., Ltd.

Refer to Table 9 for the nature of activities, principal place of business and country of incorporation of the associate.

## 15. PROPERTY, PLANT AND EQUIPMENT

	Land	Building and Construction	Equipment	Transportation	Other Equipment	Leasehold Improvements	Construction Work in Progress	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 648,634	\$ 2,497,419	\$ 1,582,985	\$ 96,793	\$ 615,670	\$ 4,883	\$ 125,076	\$ 5,571,460
Additions	227,503	92,675	70,472	21,394	40,236	-	111,578	563,858
Disposals	-	-	(31,003)	(9,171)	(11,021)	-	-	(51,195)
Reclassification	36,640	78,192	5,331	(754)	2,124	-	(31,983)	89,550
Transfers to investment property	-	(210,144)	-	-	-	-	-	(210,144)
Effect of foreign currency exchange differences	7,853	65,809	63,194	2,791	20,059	239	5,215	165,160
Balance at September 30, 2023	<u>\$ 920,630</u>	<u>\$ 2,523,951</u>	<u>\$ 1,690,979</u>	<u>\$ 111,053</u>	<u>\$ 667,068</u>	<u>\$ 5,122</u>	<u>\$ 209,886</u>	<u>\$ 6,128,689</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 1,144,179	\$ 861,021	\$ 52,908	\$ 413,080	\$ 1,913	\$ -	\$ 2,473,101
Depreciation expenses	-	91,697	91,657	8,160	49,865	420	-	241,799
Disposals	-	-	(23,775)	(3,620)	(11,652)	-	-	(39,047)
Transfers to investment property	-	(106,192)	-	-	-	-	-	(106,192)
Effect of foreign currency exchange differences	-	29,566	32,835	1,617	13,743	107	-	77,868
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 1,159,250</u>	<u>\$ 961,738</u>	<u>\$ 59,065</u>	<u>\$ 465,036</u>	<u>\$ 2,440</u>	<u>\$ -</u>	<u>\$ 2,647,529</u>
Carrying amount at September 30, 2023	<u>\$ 920,630</u>	<u>\$ 1,364,701</u>	<u>\$ 729,241</u>	<u>\$ 51,988</u>	<u>\$ 202,032</u>	<u>\$ 2,682</u>	<u>\$ 209,886</u>	<u>\$ 3,481,160</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 648,634</u>	<u>\$ 1,353,240</u>	<u>\$ 721,964</u>	<u>\$ 43,885</u>	<u>\$ 202,590</u>	<u>\$ 2,970</u>	<u>\$ 125,076</u>	<u>\$ 3,098,359</u>
<u>Cost</u>								
Balance at January 1, 2022	\$ 640,968	\$ 2,354,695	\$ 1,347,891	\$ 89,881	\$ 537,817	\$ 4,418	\$ 87,837	\$ 5,063,507
Additions	-	484	103,612	2,779	38,205	-	41,143	186,223
Disposals	-	(2,387)	(42,712)	(2,890)	(2,645)	-	-	(50,634)
Reclassification	-	53,127	7,628	-	5,063	-	(51,082)	14,736
Effect of foreign currency exchange differences	9,609	138,869	140,160	5,160	42,249	624	6,428	343,099
Balance at September 30, 2022	<u>\$ 650,577</u>	<u>\$ 2,544,788</u>	<u>\$ 1,556,579</u>	<u>\$ 94,930</u>	<u>\$ 620,689</u>	<u>\$ 5,042</u>	<u>\$ 84,326</u>	<u>\$ 5,556,931</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	\$ -	\$ 996,274	\$ 743,692	\$ 42,635	\$ 341,521	\$ 1,224	\$ -	\$ 2,125,346
Depreciation expenses	-	83,457	80,808	8,792	44,061	401	-	217,519
Disposals	-	(1,417)	(31,567)	(2,734)	(2,262)	-	-	(37,980)
Effect of foreign currency exchange differences	-	58,130	69,626	2,650	27,136	206	-	157,748
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 1,136,444</u>	<u>\$ 862,559</u>	<u>\$ 51,343</u>	<u>\$ 410,456</u>	<u>\$ 1,831</u>	<u>\$ -</u>	<u>\$ 2,462,633</u>
Carrying amount at September 30, 2022	<u>\$ 650,577</u>	<u>\$ 1,408,344</u>	<u>\$ 694,020</u>	<u>\$ 43,587</u>	<u>\$ 210,233</u>	<u>\$ 3,211</u>	<u>\$ 84,326</u>	<u>\$ 3,094,298</u>

No impairment assessment was performed for the nine months ended September 30, 2023 and 2022.

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

Buildings and construction	
Main buildings	51 years
Renovations	5-25 years
Machinery	3-11 years
Transportation equipment	4-10 years
Other equipment	3-15 years
Leasehold improvements	2-10 years

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Land	\$ 374,947	\$ 353,077	\$ 361,388
Buildings	206,834	267,053	240,586
Other equipment	<u>1,685</u>	<u>1,947</u>	<u>-</u>
	<u>\$ 583,466</u>	<u>\$ 622,077</u>	<u>\$ 601,974</u>
	<b>For the Three Months Ended September 30</b>	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>2022</b>	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets		<u>\$ 786</u>	<u>\$ 159,627</u>
Depreciation charge for right-of-use assets			
Land	\$ 3,886	\$ 3,195	\$ 11,491
Buildings	9,696	9,362	28,609
Other equipment	<u>87</u>	<u>-</u>	<u>261</u>
	<u>\$ 13,669</u>	<u>\$ 12,557</u>	<u>\$ 40,361</u>
	<u>\$ 13,669</u>	<u>\$ 12,557</u>	<u>\$ 40,361</u>
	<u>\$ 13,669</u>	<u>\$ 12,557</u>	<u>\$ 40,361</u>
	<u>\$ 13,669</u>	<u>\$ 12,557</u>	<u>\$ 40,361</u>

Except for the additions and depreciation recognized as described above, the Group had no material sublease transactions and impairment losses for the nine months ended September 30, 2023 and 2022.

### b. Lease liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 27,541</u>	<u>\$ 35,579</u>	<u>\$ 33,265</u>
Non-current	<u>\$ 192,236</u>	<u>\$ 204,007</u>	<u>\$ 212,289</u>



Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Land	6.50%	6.50%	6.25%
Buildings	2.00%~9.57%	2.00%~9.57%	3.70%~9.57%
Other equipment	2.00%	2.00%	-

c. Material lease-in activities and terms

The Group leases certain land and buildings in mainland China, Vietnam, and Jordan for the use of plants and offices with lease terms of 10 to 50 years. The Group also leases certain land and buildings in Vietnam and Jordan for the use of warehouses and dormitories with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 8,994</u>	<u>\$ 482</u>	<u>\$ 10,072</u>	<u>\$ 1,844</u>
Expenses relating to low-value asset leases	<u>\$ 284</u>	<u>\$ 155</u>	<u>\$ 757</u>	<u>\$ 687</u>
Total cash outflow for leases			<u>\$ (50,894)</u>	<u>\$ (41,720)</u>

## 17. INVESTMENT PROPERTIES

	<b>Completed Investment Properties</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2023	\$ 153,051	\$ 13,050	\$ 166,101
Transferred from property, plant and equipment and right-of-use assets	210,144	20,028	230,172
Effects of foreign currency exchange differences	<u>6,819</u>	<u>620</u>	<u>7,439</u>
Balance at September 30, 2023	<u>\$ 370,014</u>	<u>\$ 33,698</u>	<u>\$ 403,712</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ 62,877	\$ 1,090	\$ 63,967
Depreciation expenses	7,902	330	8,232
Transferred from property, plant and equipment and right-of-use assets	106,192	1,990	108,182
Effects of foreign currency exchange differences	<u>3,762</u>	<u>128</u>	<u>3,890</u>
Balance at September 30, 2023	<u>\$ 180,733</u>	<u>\$ 3,538</u>	<u>\$ 184,271</u>

(Continued)

Carrying amount at September 30, 2023	<u>\$ 189,281</u>	<u>\$ 30,160</u>	<u>\$ 219,441</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 90,174</u>	<u>\$ 11,960</u>	<u>\$ 102,134</u>

Cost

Balance at January 1, 2022	\$ 150,692	\$ 12,849	\$ 163,541
Effects of foreign currency exchange differences	<u>4,529</u>	<u>386</u>	<u>4,915</u>
Balance at September 30, 2022	<u>\$ 155,221</u>	<u>\$ 13,235</u>	<u>\$ 168,456</u>

Accumulated depreciation

Balance at January 1, 2022	\$ 55,769	\$ 704	\$ 56,473
Depreciation expenses	4,217	226	4,443
Effects of foreign currency exchange differences	<u>2,154</u>	<u>80</u>	<u>2,234</u>

Balance at September 30, 2022	<u>\$ 62,140</u>	<u>\$ 1,010</u>	<u>\$ 63,150</u>
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Carrying amount at September 30, 2022	<u>\$ 93,081</u>	<u>\$ 12,225</u>	<u>\$ 105,306</u> (Concluded)
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Right-of-use assets included in investment properties are land located in mainland China and subleased under operating leases to several companies.

The investment properties are leased out for 3 to 15 years, and the lessees have renewal options to lease the investment properties at the expiry of the lease periods.

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

Main buildings	50 years
Right-of-use assets	30 years

The determination of fair value was not performed by independent qualified professional valuers. The management of the Company used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value as appraised was as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Fair value	<u>\$ 246,182</u>	<u>\$ 110,346</u>	<u>\$ 113,045</u>

## 18. OTHER INTANGIBLE ASSETS

	Customer Relationships	Value of QIZ Tax Free Trade	Computer Software	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 237,115	\$ 126,503	\$ 57,289	\$ 420,907
Additions	-	-	4,456	4,456
Disposals	-	-	(9,450)	(9,450)
Reclassification	-	-	656	656
Effect of foreign currency exchange differences	<u>7,423</u>	<u>6,426</u>	<u>809</u>	<u>14,658</u>
Balance at September 30, 2023	<u>\$ 244,538</u>	<u>\$ 132,929</u>	<u>\$ 53,760</u>	<u>\$ 431,227</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ -	\$ -	\$ 37,222	\$ 37,222
Amortization expenses	-	-	5,305	5,305
Disposals	-	-	(9,450)	(9,450)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>475</u>	<u>475</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,552</u>	<u>\$ 33,552</u>
Carrying amount at September 30, 2023	<u>\$ 244,538</u>	<u>\$ 132,929</u>	<u>\$ 20,208</u>	<u>\$ 397,675</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 237,115</u>	<u>\$ 126,503</u>	<u>\$ 20,067</u>	<u>\$ 383,685</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 226,937	\$ 114,021	\$ 49,922	\$ 390,880
Additions	-	-	5,801	5,801
Disposals	-	-	(1,401)	(1,401)
Effect of foreign currency exchange differences	<u>(394)</u>	<u>16,766</u>	<u>1,355</u>	<u>17,727</u>
Balance at September 30, 2022	<u>\$ 226,543</u>	<u>\$ 130,787</u>	<u>\$ 55,677</u>	<u>\$ 413,007</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2022	\$ -	\$ -	\$ 31,185	\$ 31,185
Amortization expenses	-	-	4,904	4,904
Disposals	-	-	(1,401)	(1,401)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>799</u>	<u>799</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,487</u>	<u>\$ 35,487</u>
Carrying amount at September 30, 2022	<u>\$ 226,543</u>	<u>\$ 130,787</u>	<u>\$ 20,190</u>	<u>\$ 377,520</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 1-20 years

### Customer Relationships

The value of the customer relationships arising from the acquisition of Biancospino S.R.L. was mainly determined through the difference between the acquisition costs and the fair value of the net identifiable assets.

The Group also acquired the purchase price allocation report for valuing intangible assets and deemed the useful life of the customer relationships to be indefinite.

### Value of QIZ Tax Free Trade

The value of QIZ tax free trade arising from the acquisition of Atlanta Garment Manufacturing LLC was mainly generated from the expected benefits of the free trade agreement within the Qualified Industrial Zone (QIZ).

## 19. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Prepayments			
Prepayments for suppliers	\$ 57,363	\$ 48,681	\$ 127,497
Overpaid sales tax	90,615	71,390	96,957
Prepaid expenses	<u>60,346</u>	<u>84,100</u>	<u>112,503</u>
	<u>\$ 208,324</u>	<u>\$ 204,171</u>	<u>\$ 336,957</u>
Other receivables			
Sales tax receivable	\$ 7,087	\$ 6,926	\$ 4,882
Interest receivable	39,545	19,409	21,041
Other receivables from related parties (Note 36)	5	-	73,787
Others (a)	<u>30,036</u>	<u>25,110</u>	<u>18,923</u>
	<u>\$ 76,673</u>	<u>\$ 51,445</u>	<u>\$ 118,633</u>
<u>Non-current</u>			
Other assets			
Prepayments for land and buildings (b)	\$ 36,858	\$ 81,905	\$ -
Prepayments for right-of-use assets (c)	-	-	25,511
Others	<u>20</u>	<u>62</u>	<u>60</u>
	<u>\$ 36,878</u>	<u>\$ 81,967</u>	<u>\$ 25,571</u>

- The Group recognized expected credit loss amounted to NT\$88 thousand and NT\$4,732 thousand on other receivables respectively for the nine months ended September 30, 2023 and 2022.
- Prepayments for land and buildings are land and offices located in Taiwan and Jordan, in which the Group expects to acquire to meet the Group's long-term development needs. As the rights in Taiwan

have not been transferred to the Group, they are classified as other assets as of September 30, 2023.

- b. Prepayments for right-of-use assets are land located in the People's Republic of China, in which the Group expects to acquire and build plants. As the rights have not been transferred to the Group, they are classified as other assets as of September 30, 2022.

## 20. BORROWINGS

- a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Operating loans	\$ 2,409,084	\$ 526,107	\$ 3,167,846
Letter of credit payables	<u>626,994</u>	<u>741,817</u>	<u>1,413,497</u>
	<u>\$ 3,036,078</u>	<u>\$ 1,267,924</u>	<u>\$ 4,581,343</u>
Range of interest rates	1.00%~6.90%	1.09%~5.63%	0.69%~4.76%

- b. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Bank loans	\$ 427,000	\$ 516,929	\$ 527,115
Less: Current portion	<u>(39,000)</u>	<u>(59,372)</u>	<u>(59,372)</u>
Long-term borrowings	<u>\$ 388,000</u>	<u>\$ 457,557</u>	<u>\$ 467,743</u>

<b>Unsecured Borrowings</b>	<b>Main terms</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Export-Import Bank of the Republic of China	Long-term borrowings; the loan limit is US\$4,000 thousand, the interest is paid every three months at the interest rate which is the LIBOR rate plus 0.38% (adjusted every six months; 1.6421% this period), and the principal is paid every six months from February 2023	\$78,000	\$117,000	\$117,000
Export-Import Bank of the Republic of China	Long-term borrowings; the loan limit is US\$11,800 thousand, the interest is paid every three months at the interest rate which is the LIBOR rate plus 0.38% (adjusted every three months; 1.6421% this period), and the principal is paid every six months from January 2025	349,000	349,000	349,000

<b>Unsecured Borrowings</b>	<b>Main terms</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Export-Import Bank of the Republic of China	Long-term borrowings, the loan limit is \$72,000 thousand, the interest is paid every three months at the interest rate of TAIBOR rate plus 0.18% (adjusted every three months, 1.8122% this period), and the principal is paid every six months from May 2022. The loan has been early repaid in 2023.	-	<u>50,929</u>	<u>61,115</u>
Less: Current portion		427,000 <u>(39,000)</u>	516,929 <u>(59,372)</u>	527,115 <u>(59,372)</u>
		<u>\$388,000</u>	<u>\$457,557</u>	<u>\$467,743</u>

## 21. BONDS PAYABLE

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Unsecured domestic bonds	\$ 1,440,048	\$ 1,418,366	\$ 1,497,570
Less: Current portion	<u>-</u>	<u>-</u>	<u>(1,497,570)</u>
	<u>\$ 1,440,048</u>	<u>\$ 1,418,366</u>	<u>\$ -</u>

### a. 1st domestic unsecured convertible bonds

In October 2019, the Company issued 15 thousand, 3 years and an interest rate of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$1,500,000 thousand.

The major terms of redemption and conversion of unsecured domestic convertible bonds are as follows:

- 1) From 3 months after the date of issuance to 40 days before the maturity date, which is from January 30, 2020 to September 19, 2022, the Company has the right to redeem its bonds from bondholders at the contract price under specific conditions.
- 2) From 3 months after the date of issuance to the maturity date, which is from January 30, 2020 to October 29, 2022, each bondholder has the right to convert their bonds into ordinary shares at the conversion price of NT\$143.5 per share. If the bonds have not been converted, they will be redeemed at contract price at the maturity date.
- 3) The Company will repay the bonds at face value by cash at the maturity date.

The effective interest rate of the liability component was 1.37% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,478 thousand)	\$ 1,509,522
Conversion value (less transaction costs allocated to the equity component of \$204 thousand)	(70,446)
Redemption value	<u>450</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,274 thousand)	1,439,526
Interest charged at an effective interest rate of 1.37%	<u>43,577</u>
Liability component at December 31, 2021	1,483,103
Interest charged at an effective interest rate of 1.37%	15,266
Convertible bonds converted into ordinary shares	<u>(799)</u>
Liability component at September 30, 2022	<u>\$ 1,497,570</u>

b. 2nd domestic unsecured convertible bonds

In October 2022, the Company issued 15 thousand, 3 years and an interest rate of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$1,500,000 thousand.

The major terms of redemption and conversion of unsecured domestic convertible bonds are as follows:

- 1) From 3 months after the date of issuance to 40 days before the maturity date, which is from January 4, 2023 to August 25, 2025, the Company has the right to redeem its bonds from bondholders at the contract price under specific conditions.
- 2) From 3 months after the date of issuance to the maturity date, which is from January 4, 2023 to October 3, 2025, each bondholder has the right to convert their bonds into ordinary shares at the conversion price of NT\$138 per share. If the bonds have not been converted, they will be redeemed at contract price at the maturity date. Following the terms of issuance and conversion, the conversion price was adjusted to NT\$130 since September 4, 2023.
- 3) The Company will repay the bonds at face value by cash at the maturity date.

The effective interest rate of the liability component was 2.03% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,472 thousand)	\$ 1,519,159
Conversion value (less transaction costs allocated to the equity component of \$312 thousand)	(108,469)
Redemption value	<u>600</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$5,160 thousand)	1,411,290
Interest charged at an effective interest rate of 2.03%	<u>7,076</u>
Liability component at December 31, 2022	1,418,366
Interest charged at an effective interest rate of 2.03%	<u>21,682</u>
Liability component at September 30, 2023	<u>\$ 1,440,048</u>

## 22. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes payable</u>			
Operating			
To unrelated parties	<u>\$ 10,924</u>	<u>\$ 22,847</u>	<u>\$ 3,675</u>

(Continued)

### Trade payables

Operating			
To unrelated parties	\$ 513,524	\$ 806,195	\$ 710,571
To related parties (Note 36)	<u>59,466</u>	<u>154,815</u>	<u>88,393</u>
	<u>\$ 572,990</u>	<u>\$ 961,010</u>	<u>\$ 798,964</u>

(Concluded)

The Group's credit terms with suppliers are net 30-90 days.

## 23. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 455,649	\$ 531,185	\$ 515,152
Payables for labor insurance	100,590	102,827	101,891
Payables for processing fees	165,581	64,143	230,192
Payables for purchases of equipment	10,268	7,732	15,391
Payables for employees' compensation and remuneration of directors	38,969	34,670	33,958
Payables for annual leave	9,055	2,455	2,365
Payables for sales tax	69,992	5,694	109,644
Others	<u>368,984</u>	<u>355,575</u>	<u>372,007</u>
	<u>\$ 1,219,088</u>	<u>\$ 1,104,281</u>	<u>\$ 1,380,600</u>

### Non-current

#### Other liabilities

Advanced proceeds from issuance of convertible bonds(a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,631</u>
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- a. The proceeds were fully collected by the Group from 2nd domestic unsecured convertible bonds, which have not yet been issued as of September 30, 2022. The issuance date was October 3, 2022. Therefore, the proceeds were temporarily recognized as other liabilities.

## 24. RETIREMENT BENEFIT PLANS

For defined benefit plans, employee benefit expenses for the three months and nine months ended September 30, 2023 and 2022 were calculated as \$0 thousand, \$34 thousand, \$1 thousand and \$100 thousand respectively by the actuarially determined pension cost discount rate as of December 31, 2022 and 2021.



## 25. EQUITY

### a. Share capital

#### 1) Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
Shares authorized (in thousands of shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Shares authorized	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Shares issued and fully paid (in thousands of shares)	<u>103,425</u>	<u>103,381</u>	<u>103,375</u>
Shares issued	<u>\$ 1,034,255</u>	<u>\$ 1,033,809</u>	<u>\$ 1,033,753</u>

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

#### 2) Bond conversion entitlement certificates

	September 30, 2023	December 31, 2022	September 30, 2022
Certificates converted but for which the change of registration has not yet been settled (in thousands of shares)	<u>-</u>	<u>45</u>	<u>6</u>
Certificates converted but for which the change of registration has not yet been settled	<u>\$ -</u>	<u>\$ 446</u>	<u>\$ 56</u>

The change of registration will be settled based on the subscription base date.

### b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 2,868,317	\$ 2,868,317	\$ 2,868,317
Conversion of bonds	7,036	7,036	781
Difference between consideration and carrying amount of subsidiaries acquired or disposed	14,381	16,424	-
Forfeited share warrants	70,107	70,107	-
<u>May only be used to offset a deficit(2)</u>			
Changes in percentage of ownership interests in subsidiaries	1,690	557	13,155
Share of changes in capital surplus of associates	13,238	12,598	-

(Continued)

May not be used for any purpose

Share warrants	<u>108,469</u>	<u>108,469</u>	<u>70,408</u>
	<u>\$ 3,083,238</u>	<u>\$ 3,083,508</u>	<u>\$ 2,952,661</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's articles of incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to "Employee benefits expense" in Note 27 (g).

According to the Company's Articles, the dividends policy should align with current and future development plans, taking the investment environment, capital needs and domestic and international competition into consideration, while sustaining shareholders' interests. Distribution of dividends and bonuses to shareholders must not be less than 40% of distributable earnings, except when distributable earnings is less than 5% of shares issued and fully paid, in which case no distribution shall occur. Distribution of dividends and bonuses to shareholders may be distributed by way of cash dividends or stock dividends, however, cash dividends shall not be less than 20% of total dividends distributed. The type of distribution may change according to circumstances of profitability and capital, and may be adjusted during the annual shareholders' meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 15, 2023 and on June 15, 2022 respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	<u>\$ 117,731</u>	<u>\$ 61,374</u>
Special reserve	<u>\$(171,967)</u>	<u>\$ 60,829</u>
Cash dividends	<u>\$ 703,293</u>	<u>\$ 434,176</u>
Cash dividends per share (NT\$)	<u>\$ 6.80</u>	<u>\$ 4.20</u>

d. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 1,829,603	\$ 1,500,618
Cash dividends received from subsidiaries	(153,033)	(17,751)
Attributable to non-controlling interests		
Share in profit for the period	168,384	223,028
Exchange differences on the translation of the financial statements of foreign operations	48,741	93,288
Share-based payment	1,268	-
Capital increase of subsidiaries	215,612	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,043	-
Related income tax	<u>(1,933)</u>	<u>(4,847)</u>
Balance at September 30	<u>\$ 2,110,685</u>	<u>\$ 1,794,336</u>

**26. REVENUE**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 6,513,422</u>	<u>\$ 7,785,295</u>	<u>\$ 13,923,765</u>	<u>\$ 15,615,893</u>

a. Contract information

Revenue from the sale of goods

The Group generates revenue from the sale of garments, feather and down and medical products. The sale of goods is recognized as revenue when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

Refer to Note 42 for information about the disaggregation of revenue.

b. Contract balances

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>January 1, 2022</b>
Trade receivables (Note 11)	<u>\$ 4,428,334</u>	<u>\$ 1,815,745</u>	<u>\$ 4,609,492</u>	<u>\$ 2,034,536</u>
Contract liabilities-current				
Sale of goods	<u>\$ 163,498</u>	<u>\$ 85,726</u>	<u>\$ 94,911</u>	<u>\$ 171,616</u>

## 27. NET PROFIT FROM CONTINUING OPERATIONS

### a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	\$ 38,030	\$ 15,499	\$ 77,166	\$ 31,527
Financial assets at amortized cost	<u>5,948</u>	<u>7,053</u>	<u>38,047</u>	<u>15,493</u>
	<u>\$ 43,978</u>	<u>\$ 22,552</u>	<u>\$ 115,213</u>	<u>\$ 47,020</u>

### b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income				
Other operating leases (Note 35)	\$ 12,238	\$ 7,694	\$ 17,778	\$ 15,216
Dividends	3,339	2,979	3,688	3,191
Government grant income (Note 30)	5,883	37,564	14,312	49,077
Others	<u>3,412</u>	<u>15,797</u>	<u>9,356</u>	<u>24,909</u>
	<u>\$ 24,872</u>	<u>\$ 64,034</u>	<u>\$ 45,134</u>	<u>\$ 92,393</u>

### c. Other gains and (losses)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Gain (Loss) on financial assets and liabilities				
Financial assets mandatorily classified as at FVTPL	\$ (3,891)	\$ (1,939)	\$ 7,666	\$ (2,925)
Gain (Loss) on disposal of property, plant and equipment	(1,198)	1,049	(1,825)	(3,537)
Net foreign exchange gains	184,197	284,533	207,952	287,236
Gain on lease modifications	-	170	-	8,886
Return of government grant income (Note 30)	(350)	-	(28,623)	-
Others	<u>1,864</u>	<u>(3,765)</u>	<u>(3,138)</u>	<u>(4,771)</u>
	<u>\$ 180,622</u>	<u>\$ 280,048</u>	<u>\$ 182,032</u>	<u>\$ 284,889</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 24,165	\$ 21,333	\$ 72,910	\$ 35,172
Interest on lease liabilities	3,115	3,535	9,402	10,356
Interest on convertible bonds	<u>7,344</u>	<u>5,162</u>	<u>21,682</u>	<u>15,266</u>
	<u>\$ 34,624</u>	<u>\$ 30,030</u>	<u>\$ 103,994</u>	<u>\$ 60,794</u>

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	\$ 78,449	\$ 66,951	\$ 221,399	\$ 196,023
Operating expenses	<u>21,674</u>	<u>22,260</u>	<u>68,993</u>	<u>63,794</u>
	<u>\$ 100,123</u>	<u>\$ 89,211</u>	<u>\$ 290,392</u>	<u>\$ 259,817</u>
An analysis of amortization by function				
Operating costs	\$ 84	\$ 22	\$ 149	\$ 72
Operating expenses	<u>1,541</u>	<u>1,694</u>	<u>5,156</u>	<u>4,832</u>
	<u>\$ 1,625</u>	<u>\$ 1,716</u>	<u>\$ 5,305</u>	<u>\$ 4,904</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term benefits	\$ 1,156,669	\$ 1,393,352	\$ 3,645,253	\$ 3,772,739
Post-employment benefits				
Defined contribution plans	1,790	3,145	8,679	9,358
Defined benefit plans (Note 24)	<u>-</u>	<u>34</u>	<u>1</u>	<u>100</u>
Total employee benefits expense	<u>\$ 1,158,459</u>	<u>\$ 1,396,531</u>	<u>\$ 3,653,933</u>	<u>\$ 3,782,197</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 942,712	\$ 1,136,944	\$ 2,957,360	\$ 3,063,473
Operating expenses	<u>215,747</u>	<u>259,587</u>	<u>696,573</u>	<u>718,724</u>
	<u>\$ 1,158,459</u>	<u>\$ 1,396,531</u>	<u>\$ 3,653,933</u>	<u>\$ 3,782,197</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 8% for employees, and no less

than 2% for directors, of net profit before income tax, compensation of employees, and remuneration of directors. The accrued compensation of employees and remuneration of directors for the three months and nine months ended September 30, 2023 and 2022 are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	1.02%	1.04%
Remuneration of directors	0.41%	0.29%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 7,956</u>	<u>\$ 11,338</u>	<u>\$ 11,013</u>	<u>\$ 15,905</u>
Remuneration of directors	<u>\$ 1,470</u>	<u>\$ 1,470</u>	<u>\$ 4,410</u>	<u>\$ 4,410</u>

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 compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 2, 2023 and March 8, 2022, respectively, are as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 15,055</u>	<u>\$ 7,792</u>
Remuneration of directors	<u>\$ 5,880</u>	<u>\$ 4,116</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

h. Gain or (loss) on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$ 135,220	\$ 298,654	\$ 258,701	\$ 374,643
Foreign exchange (losses)	<u>48,977</u>	<u>(14,121)</u>	<u>(50,749)</u>	<u>(87,407)</u>
Net gains	<u>\$ 184,197</u>	<u>\$ 284,533</u>	<u>\$ 207,952</u>	<u>\$ 287,236</u>

**28. INCOME TAX**

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current tax				
In respect of the current period	\$ 115,539	\$ 165,707	\$ 250,749	\$ 275,685
Income tax on unappropriated earnings	(4,545)	-	33,140	4,515
Adjustments for prior years	<u>3,329</u>	<u>2,029</u>	<u>1,938</u>	<u>67,948</u>
	114,323	167,736	285,827	348,148
Current tax				
In respect of the current period	<u>73,264</u>	<u>110,363</u>	<u>39,478</u>	<u>127,217</u>
Income tax on unappropriated earnings	<u>\$ 187,587</u>	<u>\$ 278,099</u>	<u>\$ 325,305</u>	<u>\$ 475,365</u>

b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>				
In respect of the current period				
Translation of foreign operations	<u>\$ 35,047</u>	<u>\$ 34,771</u>	<u>\$ 34,874</u>	<u>\$ 75,079</u>

c. Income tax assessments

Income tax returns of the Company has been assessed by the local tax authorities through 2020. Income tax returns of Top One Down & Feather Co., Ltd. and King Hamm Industrial Co., Ltd. have been assessed by the local tax authorities through 2021.

## 29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share	\$ 6.29	\$ 8.94	\$ 8.31	\$ 12.27
Diluted earnings per share	\$ 5.70	\$ 8.14	\$ 7.63	\$ 11.23

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

### Net Profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Profit for the period attributable to owners of the Company	\$ 650,127	\$ 923,878	\$ 859,666	\$ 1,268,000
Effect of potentially dilutive ordinary shares				
Interest on convertible bonds (after tax)	5,875	4,130	17,345	12,213
Earnings used in the computation of diluted earnings per share	\$ 656,002	\$ 928,008	\$ 877,011	\$ 1,280,213

### Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	103,425	103,375	103,425	103,375
Effect of potentially dilutive				
Convertible bonds	11,538	10,453	11,412	10,453
Compensation of employees	98	118	125	134
Weighted average number of ordinary shares used in the computation of diluted earnings per share	115,061	113,946	114,962	113,962

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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.

### 30. GOVERNMENT GRANTS

The Group's subsidiary located in mainland China recognized grant income of \$5,883 thousand, \$10,462 thousand, \$14,312 thousand and \$21,975 thousand as other income from local governments during the three and nine months ended September 30, 2023 and 2022, respectively.

On April 7, 2023, the Group's subsidiary located in mainland China obtained a local government grant of \$17,978 thousand for plant construction. As of September 30, 2023, the plant has not been completed, therefore the government grant is temporarily recognized as deferred revenue.

For the three and nine months ended September 30, 2023, the Group's subsidiary located in Jordan recognized other losses of \$350 thousand and \$28,623 thousand due to the order of the local government to return the garment export grant that was obtained in 2022.

The Group's subsidiary located in Jordan recognized grant income for garment exports of \$27,102 thousand and \$27,102 thousand, respectively, as other income during the three and nine months ended September 30, 2022.

### 31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On May 16, 2023, the Group subscribed for additional new shares of King Hamm Industrial Co., Ltd. at a percentage different from its existing ownership percentage, and decreased its continuing interest from 47.46% to 45.65%.

The above transactions were accounted for as equity transactions, since the Group did not alter its control over the subsidiary.

	<b>King Hamm Industrial Co., Ltd.</b>
	<u>                    </u>
Consideration paid	\$ (137,488)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	135,520
Reattribution of other equity from owners of the company	
Exchange differences on the translation the financial statements of foreign operations	<u>(75)</u>
Differences recognized from equity transactions	<u>\$ (2,043)</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$ (2,043)</u>

### 32. CASH FLOW INFORMATION

#### a. Non-cash transactions

The Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the nine months ended September 30, 2023 and 2022:

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Additions to property, plant and equipment		
Increase in property, plant and equipment	\$ 563,858	\$ 186,223
Add: Payables for equipment, beginning of period	7,732	13,761
Less: Payables for equipment, end of period	<u>(10,268)</u>	<u>(15,391)</u>
Cash paid	<u>\$ 561,322</u>	<u>\$ 184,593</u>
Cash dividends paid to non-controlling interests		
Cash dividends paid	\$ 153,033	\$ 17,751
Add: Cash dividends payable, beginning of period	78,573	-
Less: Dividends payable, end of period	(102,097)	-
Foreign currency exchange differences	<u>(8,884)</u>	<u>-</u>
Dividends paid	<u>\$ 120,625</u>	<u>\$ 17,751</u>
Cash dividends paid		
Cash dividends paid	\$ 703,293	\$ 434,176
Less: Dividends payable, end of period	<u>-</u>	<u>-</u>
Dividends paid	<u>\$ 703,293</u>	<u>\$ 434,176</u>

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2023

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Closing Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Short-term borrowings	\$ 1,267,924	\$ 1,768,154	\$ -	\$ -	\$ 3,036,078
Long-term borrowings	516,929	(89,929)	-	-	427,000
Guarantee deposits received	2,163	61	-	-	2,224
Bonds payable	1,418,366	-	-	21,682	1,440,048
Lease liabilities	<u>239,586</u>	<u>(30,663)</u>	<u>786</u>	<u>10,068</u>	<u>219,777</u>
	<u>\$ 3,444,968</u>	<u>\$ 1,647,623</u>	<u>\$ 786</u>	<u>\$ 31,750</u>	<u>\$ 5,125,127</u>

For the nine months ended September 30, 2022

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Closing Balance</b>
			<b>New Leases</b>	<b>Others</b>	
Short-term borrowings	\$ 1,926,201	\$ 2,655,142	\$ -	\$ -	\$ 4,581,343
Long-term borrowings	188,300	338,815	-	-	527,115
Guarantee deposits received	990	(67)	-	-	923
Bonds payable	1,483,103	-	-	14,467	1,497,570
Other non-current liabilities	-	1,524,631	-	-	1,524,631
Lease liabilities	<u>92,659</u>	<u>(28,833)</u>	<u>159,627</u>	<u>22,101</u>	<u>245,554</u>
	<u>\$ 3,691,253</u>	<u>\$ 4,489,688</u>	<u>\$ 159,627</u>	<u>\$ 36,568</u>	<u>\$ 8,377,136</u>

### 33. INTERPRETATION OF SEASONAL OR PERIODICAL INTERIM OPERATIONS

The Group is mainly engaged in the high-end down jackets for world-renowned brands. The high-end down jacket industry has a highly seasonal characteristic, with peak sales period in autumn and winter.

The Group starts to prepare materials at the end of each year, and starts production from the beginning of the next year. The mainly delivery with large quantities period starts from the middle of the year until October.

According to historical experience, the peak sales period of the Group is between June and September each year, and the second peak period is in May and October. Therefore, the inventory level of the Group from April to July is relatively higher than that of other months.

Usually, the operating revenue in the first quarter of each year is the lowest compared to the other three quarters. The peak season for shipments begins at the end of the second quarter and continues until the beginning of the fourth quarter, therefore, the single-quarter operating revenue in the third quarter is the highest.

Due to the COVID-19 prevention measures implemented by the Vietnamese government in July 2021, a portion of sales have been deferred to between January to March in 2022.

### 34. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

### 35. FINANCIAL INSTRUMENTS

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

The management of the Group believes the carrying amount of the Group's financial instruments not measured at fair value are close to the fair value.

#### b. Fair value of financial instruments measured at fair value on a recurring basis

##### 1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Domestic listed shares	\$ 60,031	\$ -	\$ -	\$ 60,031
Domestic bonds	<u>5,450</u>	<u>-</u>	<u>-</u>	<u>5,450</u>
	<u>\$ 65,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,481</u>

Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 71,818	\$ -	\$ -	\$ 71,818
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,952</u>	<u>5,952</u>
	<u>\$ 71,818</u>	<u>\$ -</u>	<u>\$ 5,952</u>	<u>\$ 77,770</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Redemption value of bonds	\$ -	\$ 450	\$ -	\$ 450
Domestic listed shares	40,320	-	-	40,320
Domestic bonds	<u>2,889</u>	<u>-</u>	<u>-</u>	<u>2,889</u>
	<u>\$ 43,209</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 43,659</u>

Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 71,676	\$ -	\$ -	\$ 71,676
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>5,952</u>	<u>5,952</u>
	<u>\$ 71,676</u>	<u>\$ -</u>	<u>\$ 5,952</u>	<u>\$ 77,628</u>

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Domestic listed shares	\$ 21,110	\$ -	\$ -	\$ 21,110
Domestic corporate bonds	<u>3,017</u>	<u>-</u>	<u>-</u>	<u>3,017</u>
	<u>\$ 24,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,127</u>

Financial assets at FVTOCI - non-current				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 70,678	\$ -	\$ -	\$ 70,678
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>6,492</u>	<u>6,492</u>
	<u>\$ 70,678</u>	<u>\$ -</u>	<u>\$ 6,492</u>	<u>\$ 77,170</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Beginning and ending of the period	\$ <u>          -</u>	\$ <u>  5,952</u>	\$ <u>  5,952</u>

For the nine months ended September, 2022

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Beginning g and ending of the period	\$ <u>          -</u>	\$ <u>  6,492</u>	\$ <u>  6,492</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic and foreign unlisted shares are determined using the market approach with reference to the types of industry, similar companies in the same industry, and the operating conditions of the Company.

c. Categories of financial instruments

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Mandatorily classified as at FVTPL	\$ 65,481	\$ 43,659	\$ 24,127
Financial assets at amortized cost (1)	9,666,290	6,844,364	11,547,087
Financial assets at FVTOCI			
Investments in equity instruments	77,770	77,628	77,170
<u>Financial liabilities</u>			
Amortized cost (2)	6,931,785	5,539,263	10,605,639

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables and time deposits with original maturities of more than 3 months.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, notes payable, trade and other payables, bonds payable and other non-current liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that 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 (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Company had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's non-functional foreign currency denominated monetary assets and monetary liabilities at the nine months end of the period are set out in Note 40.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currencies against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit associated with the functional currencies strengthening 1% against the USD. For a 1% weakening of the functional currencies against the USD, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 48,840	\$ 27,939

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	<b>September 30,</b> <b>2023</b>	<b>December 31,</b> <b>2022</b>	<b>September 30,</b> <b>2022</b>
Cash flow interest rate risk			
Financial assets	\$ 852,578	\$ 1,063,315	\$ 2,257,483
Financial liabilities	3,463,078	1,784,853	5,108,458

### Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year.

A 0.1% increase or decrease is 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 0.1% higher and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2023 and 2022 would have decreased by \$1,958 thousand and \$2,138 thousand, respectively.

#### c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

### Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% higher, pre-tax profit for the nine months ended September 30, 2023 and 2022 would have increased by \$600 thousand and \$211 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased by \$778 thousand and \$772 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

#### 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. At the three months end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group is mainly 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. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining 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 at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, 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, 2023 and December 31 and September 30, 2022, the Group had available unutilized bank loan facilities

set out in (b) below.

a) Liquidity for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted maturity value of financial liabilities from the earliest date on which the Group can be required to pay.

September 30, 2023

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 Year+</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 1,654,115	\$ 1,381,963	\$ -	\$ 3,036,078
Bonds payable	-	-	1,440,048	1,440,048
Current portion of long-term borrowings	-	39,000	-	39,000
Long-term borrowings	-	-	<u>388,000</u>	<u>388,000</u>
	<u>\$ 1,654,115</u>	<u>\$ 1,420,963</u>	<u>\$ 1,828,048</u>	<u>\$ 4,903,126</u>

December 31, 2022

	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 Year+</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 396,371	\$ 871,553	\$ -	\$ 1,267,924
Bonds payable	-	-	1,418,366	1,418,366
Current portion of long-term borrowings	19,500	39,872	-	59,372
Long-term borrowings	-	-	<u>457,557</u>	<u>457,557</u>
	<u>\$ 415,871</u>	<u>\$ 911,425</u>	<u>\$ 1,875,923</u>	<u>\$ 3,203,219</u>

September 30, 2022

	<b>Less Than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 Year+</b>	<b>Total</b>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 3,006,103	\$ 1,575,240	\$ -	\$ 4,581,343
Bonds payable	1,497,570	-	-	1,497,570
Current portion of long-term borrowings	-	59,372	-	59,372
Long-term borrowings	-	-	<u>467,743</u>	<u>467,743</u>
	<u>\$ 4,503,673</u>	<u>\$ 1,634,612</u>	<u>\$ 467,743</u>	<u>\$ 6,606,028</u>



Taking into account the Group's financial position, management believe that it is unlikely that the banks will exercise their discretionary rights to demand immediate repayment.

b) Financing facilities

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured bank overdraft facilities, reviewed annually			
Amount used	\$ 3,463,078	\$ 1,784,853	\$ 5,108,458
Amount unused	<u>7,367,412</u>	<u>8,221,100</u>	<u>4,878,169</u>
	<u>\$ 10,830,490</u>	<u>\$ 10,005,953</u>	<u>\$ 9,986,627</u>
Secured bank overdraft facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>145,215</u>	<u>184,260</u>	<u>190,500</u>
	<u>\$ 145,215</u>	<u>\$ 184,260</u>	<u>\$ 190,500</u>

### 36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Formosa Taffeta Co., Ltd. (Group company)	Investor with significant influence - corporate director of the Company
Top One Investment Co., Ltd.	Other related party - corporate director of the Company
Cu Chi Investment, Ltd.	Related party in substance
Xin Xiang Investment, Ltd.	Related party in substance
Best One Investment Co., Ltd.	Related party in substance
Da Fang Investment Co., Ltd.	Related party in substance
Spring Printing (Pinghu), Ltd.	Related party in substance
Asia Healthcare (Dalian) Co., Ltd.	Related party in substance
Spring Printing Co., Ltd. (Group company)	Related party in substance
Chiu Hsing Investment, Ltd.	Related party in substance
Nanliu Enterprise (Pinghu) Co., Ltd.	Other related party - director of the subsidiary
I-Chun Chuang	Other related party - director of the subsidiary
Anhui Xingxing Garment Co., Ltd.	Associate

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Operating revenue	Related party in substance	\$ 13,957	\$ 20,837	\$ 36,686	\$ 42,877
	Investor with significant influence	19	7	44	22
	Other related party	<u>2</u>	<u>10</u>	<u>5</u>	<u>10</u>
		<u>\$ 13,978</u>	<u>\$ 20,854</u>	<u>\$ 36,735</u>	<u>\$ 42,909</u>

The goods sold by the Group to the related parties and the credit terms granted were made at the Group's usual prices and terms.

c. Processing fees

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Related party in substance	\$ 17,739	\$ -	\$ 38,299	\$ 24,966
Associate	<u>47,888</u>	<u>96,002</u>	<u>70,336</u>	<u>141,361</u>
	<u>\$ 65,627</u>	<u>\$ 96,002</u>	<u>\$ 108,635</u>	<u>\$ 166,327</u>

The processing fees charged by the related parties in substance to the Group and the credit terms granted were made at the Group's usual prices and terms.

d. Purchases of goods

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Investor with significant influence- Formosa Taffeta Co., Ltd. (Group company)	\$ 55,159	\$ 89,117	\$ 435,726	\$ 725,524
Other related party	<u>727</u>	<u>415</u>	<u>2,545</u>	<u>847</u>
	<u>\$ 55,886</u>	<u>\$ 89,532</u>	<u>\$ 438,271</u>	<u>\$ 726,371</u>

The purchases of goods from the related parties by the Group and the credit terms granted were made at the Group's usual prices and terms.

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

<b>Line Item</b>	<b>Related Party Category</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30,, 2022</b>
Trade receivables	Related party in substance	<u>\$ 23,593</u>	<u>\$ 32,003</u>	<u>\$ 31,679</u>
Other receivables	Associate Anhui Xingxing Garment Co., Ltd.	\$ -	\$ -	\$ 73,787
	Related party in substance	<u>5</u>	<u>-</u>	<u>-</u>
		<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 73,787</u>

The outstanding trade receivables from related parties are unsecured.

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

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30,, 2022</b>
Trade payables	Investor with significant influence Formosa Taffeta Co., Ltd. (Group company)	\$ 58,935	\$ 154,703	\$ 88,393
	Other related party	<u>531</u>	<u>112</u>	<u>-</u>
		<u>\$ 59,466</u>	<u>\$ 154,815</u>	<u>\$ 88,393</u>
Other payables	Other related party I-Chun Chuang	\$ 88,413	\$ 161,217	\$ 166,676
	Related party in substance	11,432	8,116	12,256
	Investor with significant influence	24	-	-
	Associate	<u>23,691</u>	<u>-</u>	<u>17,898</u>
		<u>\$ 123,560</u>	<u>\$ 169,333</u>	<u>\$ 196,830</u>

The outstanding trade payables to related parties are unsecured.

g. Other transactions with related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Other income (rental income)	Related party in substance	\$ 50	\$ 58	\$ 96	\$ 114
	Other related party	<u>13</u>	<u>1</u>	<u>23</u>	<u>799</u>
		<u>\$ 63</u>	<u>\$ 59</u>	<u>\$ 119</u>	<u>\$ 913</u>

The rental revenue received from the related parties in substance and other related parties were due to the rental of office space at prices negotiated between the transacting parties, and rental payments are received accordingly.

h. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 11,288	\$ 18,514	\$ 42,219	\$ 44,128
Post-employment benefits	<u>243</u>	<u>262</u>	<u>807</u>	<u>769</u>
	<u>\$ 11,531</u>	<u>\$ 18,776</u>	<u>\$ 43,026</u>	<u>\$ 44,897</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

**37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

The following assets were provided as collateral for purchases from suppliers:

	September 30, 2023	December 31, 2022	September 30,, 2022
Restricted deposits (classified as financial assets at amortized cost - current)	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>

**38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group were as follows:

- a. As of September 30, 2023, the Group had unused letters of credit for purchases of raw materials that amounted to \$138,622 thousand.
- b. As of September 30, 2023, guarantee notes submitted by the Group for loan applications and borrowings amounted to \$9,311,840 thousand.
- c. As of September 30, 2023, the Group's unrecognized commitments for the purchase of property, plant and equipment amounted to \$452,679 thousand.

**39. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE**

**40. 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, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 23,114	32.27 (USD:NTD)	\$ 6,238,246
USD	41,078	24,260 (USD:VND)	1,325,583
USD	21,044	7.1798 (USD:RMB)	679,075
USD	23,114	0.708 (USD:JOD)	745,887
RMB	16,890	4.4946 (RMB:NTD)	74,569
VND	74,063,138	0.000041 (VND:USD)	99,316
EUR	1,756	4.9728 (EUR:RON)	59,583

Financial liabilities

Monetary items			
USD	92,175	32.27 (USD:NTD)	2,943,126
USD	21,132	0.708 (USD:JOD)	681,942
USD	9,322	7.1798 (USD:RMB)	301,251
USD	5,626	24,260 (USD:VND)	178,478
VND	28,822,676	0.000041 (VND:USD)	38,867

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 105,696	30.71 (USD:NTD)	\$ 3,245,916
USD	20,959	23,850 (USD:VND)	643,658
USD	18,642	6.9646 (USD:RMB)	572,490
USD	15,756	0.708 (USD:JOD)	483,973
RMB	17,125	4.4094 (RMB:NTD)	75,509
EUR	1,941	4.9485 (EUR:RON)	63,497
VND	30,182,425	0.000043 (VND:USD)	39,594

Financial liabilities

Monetary items			
USD	70,277	30.71 (USD:NTD)	2,158,200
USD	4,720	23,850 (USD:VND)	144,958
USD	5,277	6.9646 (USD:RMB)	162,067
USD	43,904	0.708 (USD:JOD)	1,349,677
VND	53,498,891	0.000043 (VND:USD)	70,182

September 30, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 139,913	31.75 (USD:NTD)	\$ 4,442,235
USD	36,620	23,890 (USD:VND)	1,162,675
USD	16,483	7.0998 (USD:RMB)	523,346
USD	18,886	0.708 (USD:JOD)	599,642
RMB	29,072	4.472 (RMB:NTD)	130,009
VND	38,910,838	0.000042 (VND:USD)	52,061
EUR	1,159	4.9483 (EUR:RON)	36,229
 <u>Financial liabilities</u>			
Monetary items			
USD	90,297	31.75 (USD:NTD)	2,866,940
USD	22,483	0.708 (USD:JOD)	713,845
USD	6,467	7.0998 (USD:RMB)	205,338
USD	4,658	23,890 (USD:VND)	147,902
VND	38,623,328	0.000042 (VND:USD)	51,677

For the three months and nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gains were \$184,197 thousand, \$284,533 thousand, \$207,952 thousand and \$287,236 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

#### **41. SEPARATELY DISCLOSED ITEMS**

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 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)
- b. Information on investees (Table 8)
- c. 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 (Table 10):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - 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
- d. 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 11)

## 42. 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 were as follows:

Garment business  
Down feather business  
Medical business

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by

reportable segments:

	<b>Garment</b>	<b>Down Feather</b>	<b>Medical</b>	<b>Total</b>
For the nine months ended <u>September 30, 2023</u>				
Revenue from external customers	\$ 13,387,181	\$ 75,916	\$ 460,668	\$ 13,923,765
Inter-segment revenue	<u>5,869,437</u>	<u>379,404</u>	<u>6</u>	<u>6,248,847</u>
Segment revenue	<u>19,256,618</u>	<u>455,320</u>	<u>460,674</u>	20,172,612
Eliminations				<u>(6,248,847)</u>
Consolidated revenue				<u>\$13,923,765</u>
Segment income	<u>\$ 1,029,769</u>	<u>\$ 59,651</u>	<u>\$ (35,707)</u>	\$ 1,053,713
Interest income				115,213
Other revenue				45,134
Other income and gains				182,032
Finance costs				(103,994)
Share of profit or loss of associates accounted for using the equity method				<u>61,257</u>
Profit before tax from continuing operations				<u>\$ 1,353,355</u>

	<b>Garment</b>	<b>Down Feather</b>	<b>Medical</b>	<b>Total</b>
For the nine months ended <u>September 30, 2022</u>				
Revenue from external customers	\$ 14,968,914	\$ 79,643	\$ 567,336	\$ 15,615,893
Inter-segment revenue	<u>6,538,091</u>	<u>574,794</u>	<u>-</u>	<u>7,112,885</u>
Segment revenue	<u>21,507,005</u>	<u>654,437</u>	<u>567,336</u>	22,728,778
Eliminations				<u>(7,112,885)</u>
Consolidated revenue				<u>\$15,615,893</u>
Segment income	<u>\$ 1,397,056</u>	<u>\$ 116,771</u>	<u>\$ (6,566)</u>	\$ 1,507,261
Interest income				47,020
Other revenue				92,393
Other income and gains				284,889
Finance costs				(60,794)
Share of profit or loss of associates accounted for using the equity method				<u>95,624</u>
Profit before tax from continuing operations				<u>\$ 1,966,393</u>

The above revenue was generated from transactions with external customers.



Segment income represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Segment assets</u>			
Garment business	\$ 15,893,155	\$ 13,817,288	\$ 18,831,940
Medical product business	1,791,138	1,845,328	1,876,576
Down feather business	<u>649,615</u>	<u>650,476</u>	<u>685,382</u>
Total segment assets	18,333,908	16,313,092	21,393,898
Unallocated assets	<u>156,895</u>	<u>173,068</u>	<u>111,215</u>
Consolidated total assets	<u>\$ 18,490,803</u>	<u>\$ 16,486,160</u>	<u>\$ 21,505,113</u>
<u>Segment liabilities</u>			
Garment business	\$ 7,389,119	\$ 5,930,007	\$ 10,756,763
Medical product business	238,772	302,793	339,940
Down feather business	<u>52,970</u>	<u>56,845</u>	<u>107,444</u>
Total segment liabilities	7,680,861	6,289,645	11,204,147
Unallocated liabilities	<u>473,107</u>	<u>428,768</u>	<u>510,204</u>
Consolidated total liabilities	<u>\$ 8,153,968</u>	<u>\$ 6,718,413</u>	<u>\$ 11,714,351</u>

c. Geographical information

The Group's revenue from continuing operations from external customers by location of operations is detailed below:

	<b>Revenue from External Customers</b>			
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
North America	\$ 2,578,111	\$ 2,940,983	\$ 7,115,912	\$ 7,208,597
Europe	1,097,307	1,517,217	2,772,948	3,428,144
Mainland China	1,963,544	2,500,287	2,280,024	2,999,321
Japan	341,269	318,073	606,380	642,270
Oceania	46,333	77,974	122,235	157,910
Others	<u>486,858</u>	<u>430,761</u>	<u>1,026,266</u>	<u>1,179,651</u>
	<u>\$ 6,513,422</u>	<u>\$ 7,785,295</u>	<u>\$ 13,923,765</u>	<u>\$ 15,615,893</u>

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales	Amount	% of Total Sales
VF (Group company)	\$1,375,727	21	\$1,364,485	18	\$2,903,604	21	\$2,603,543	17
PATAGONIA	733,604	11	882,920	11	2,221,615	16	2,261,699	14
ADIDAS(Group company)	1,240,998	19	2,427,501	31	2,165,936	16	3,429,906	22
NIKE (Group company)	<u>650,010</u>	<u>10</u>	<u>844,866</u>	<u>11</u>	<u>1,135,816</u>	<u>8</u>	<u>1,743,361</u>	<u>11</u>
	<u>\$4,000,339</u>	<u>61</u>	<u>\$5,519,772</u>	<u>71</u>	<u>\$8,426,971</u>	<u>61</u>	<u>\$10,038,509</u>	<u>64</u>

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## FINANCING PROVIDED TO OTHERS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars, and Thousands of Foreign Currencies, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
0	Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	Other receivables - related parties	Yes	\$ 276,750 (US\$ 9,000)	\$ 145,215 (US\$ 4,500)	\$ 145,215 (US\$ 4,500)	-	1	\$ 638,305	Business	\$ -	None	-	\$ 638,305	\$ 3,290,460	Note 5
		Atlanta Garment Manufacturing Company LLC	Other receivables - related parties	Yes	504,160 (US\$ 16,000)	354,970 (US\$ 11,000)	348,548 (US\$ 10,801)	2.50-5.90	1	902,668	Business	-	"	-	902,668	3,290,460	Note 6
		Atlanta Garment Manufacturing Company LLC	Other receivables - related parties	Yes	91,440 (US\$ 3,000)	-	-	2.25	2	-	Turnover	-	"	-	2,467,845	3,290,460	-
		Sidney Apparels LLC	Other receivables - related parties	Yes	193,620 (US\$ 6,000)	193,620 (US\$ 6,000)	193,620 (US\$ 6,000)	1.80-4.50	2	-	Turnover	-	"	-	2,467,845	3,290,460	-
		Sidney Apparels LLC	Other receivables - related parties	Yes	258,160 (US\$ 8,000)	258,160 (US\$ 8,000)	246,866 (US\$ 7,650)	5.50-5.90	1	325,173	Business	-	"	-	325,173	3,290,460	Note 7
		Top One Down & Feather Co., Ltd.	Other receivables - related parties	Yes	66,642 (RMB 15,000)	-	-	2.50	1	116,120	Business	-	"	-	116,120	237,798	Note 8
2	King Hamm Industrial Co., Ltd.	King Hung Garments Industrial Co., Ltd.	Other receivables - related parties	Yes	64,540 (US\$ 2,000)	64,540 (US\$ 2,000)	-	3.00	1	416,955	Business	-	"	-	416,955	670,212	Note 9
2	King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	Other receivables - related parties	Yes	125,500 (US\$ 4,000)	64,540 (US\$ 2,000)	-	3.00	1	315,523	Business	-	"	-	315,523	670,212	Note 10
3	Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	Other receivables - related parties	Yes	80,675 (US\$ 2,500)	80,675 (US\$ 2,500)	80,675 (US\$ 2,500)	0.50	1	105,585	Business	-	"	-	105,585	500,661	Note 11
4	Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	Other receivables - related parties	Yes	44,946 (RMB 10,000)	44,946 (RMB 10,000)	-	4.35	1	54,825	Business	-	"	-	54,825	236,878	Note 12
4	Principle & Will Biotech (Pinghu) Co., Ltd.	Principle & Will Biotech (Xiantao) Co., Ltd.	Other receivables - related parties	Yes	22,473 (RMB 5,000)	22,473 (RMB 5,000)	-	4.35	2	-	Turnover	-	"	-	169,921	236,878	-

Note 1: Numbering sequence is as follows:

- The issuer is numbered 0.
- Investees are numbered sequentially starting from 1.

Note 2: The nature of financing is as follows:

- Borrowers with business relationships are numbered 1.
- Borrowers with short term financing needs are numbered 2.

Note 3: a. The amount available for the Company lending to individual borrowers shall not exceed the amount of business transactions between the two parties within the most recent year in the case of business transaction; the amount available for the Company lending to individual borrowers shall not exceed 30% of the net worth of the parent company on its most recent financial statements in the case of operating turnover. In addition, the total amount lendable shall not exceed 40% of net worth of the parent company on its most recent financial statements.

b. The amount that Top One Down &amp; Feather Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.

c. The amount that King Hamm Industrial Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.

d. The amount that Principle &amp; Will Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.

e. The amount that Principle &amp; Will Biotech (Pinghu) Co., Ltd. can provide to any individual borrower shall not exceed the amount of business transactions between the two parties within the most recent year. The total amount lendable shall not exceed 40% of its net worth on its most recent financial statements.

Note 4: The above transactions have been eliminated on the preparation of the consolidated financial statements.

Note 5: In the most recent fiscal year, the amounts transacted between the Company and Quang Viet (Long An) Co., Ltd. were processing fee of \$638,305 thousand.

Note 6: In the most recent fiscal year, the amounts transacted between the Company and Atlanta Garment Manufacturing Company LLC were purchases of \$902,668 thousand.

(Continued)

Note 7: In the most recent fiscal year, the amounts transacted between the Company and A Sidney Apparels LLC were purchases of \$325,173 thousand.

Note 8: The amounts transacted between Top One Down & Feather Co., Ltd. and Top One Down & Feather Shu Yang Co., Ltd. in the most recent fiscal year were purchases amounting to \$116,120 thousand.

Note 9: The amounts transacted between King Hamm Industrial Co., Ltd. and King Hung Garments Industrial Co., Ltd. in the most recent fiscal year were processing fee of \$416,955 thousand.

Note 10: The amounts transacted between King Hamm Industrial Co., Ltd. and King Hamm Industrial Co., Ltd. (VN) in the most recent fiscal year were processing fee of \$315,523 thousand.

Note 11: The amounts transacted between Principle & Will Co., Ltd. and Principle & Will Biotech (Pinghu) Co., Ltd. in the most recent fiscal year were purchases of \$105,585 thousand.

Note 12: The amounts transacted between Principle & Will Biotech (Pinghu) Co., Ltd. and Principle & Will Biotech (Xiantao) Co., Ltd. in the most recent fiscal year were processing fee of \$54,825 thousand.

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3 a.)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3 b.)	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 (Note 2)										
0	Quang Viet Enterprise Co., Ltd.	Sidney Apparels LLC	b.	\$ 2,467,845	\$ 408,460	\$ 145,215	\$ 130,435	\$ -	1.77	\$ 4,113,075	Y	N	N

Note 1: Numbering sequence is as follows:

- a. The issuer is numbered 0
- b. Investees are numbered sequentially starting from 1.

Note 2: The 7 types of relationships between the endorser/guarantor and endorsees/guarantees are as follows:

- a. Company with business transactions
- b. Company where Quang Viet Enterprise Co., Ltd directly or indirectly holds over 50% of its voting shares
- c. Company that directly or indirectly holds more 50% of the shares in Quang Viet Enterprise Co., Ltd.
- d. Company where Quang Viet Enterprise Co., Ltd directly or indirectly holds of or exceeding 90% of its voting shares
- e. Companies in the same industry bound by contracts that must endorse/guarantee one another for construction contract purposes.
- f. For investment purposes, where it is necessary that all investors endorse/guarantee for the company according to the proportion of shares held.
- g. Companies in the business of sales of presale houses that must endorse/guarantee for each other according to the Consumer Protection Act.

Note 3: The limits to be granted for endorsements/guarantees are calculated as follows:

- a. The amount of the guarantee provided by Quang Viet Enterprise Co., Ltd to any individual entity shall not exceed 30% of its net worth.
- b. The aggregate amount of endorsement/guarantee provided shall not exceed 50% of Quang Viet Enterprise Co., Ltd.'s net worth.
- c. The aggregate amount of endorsement/guarantee of the Group provided shall not exceed 100% of Quang Viet Enterprise Co., Ltd.'s net worth.

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Formosa Taffeta Co., Ltd.	Director of the Company	Financial assets at fair value through other comprehensive income - non-current	817,000	\$ 20,793		\$ 20,793	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Macauto Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	68,000	\$ 5,358		\$ 5,358	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Formosa Chemicals & Fibre Corp.	-	Financial assets at fair value through other comprehensive income - non-current	100,000	\$ 6,150		\$ 6,150	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Yageo Corporation	-	Financial assets at fair value through other comprehensive income - non-current	19,898	\$ 10,447		\$ 10,447	
Quang Viet Enterprise Co., Ltd.	<u>Non-publicly traded shares</u> Spring Printing Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	793,250	\$ 5,952	19.00	\$ 5,952	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded preferred shares</u> Chailease Holding Company Limited	-	Financial assets at fair value through other comprehensive income - non-current	300,000	\$ 29,070		\$ 29,070	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	47,000	\$ 24,581		\$ 24,581	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded shares</u> Elite Semiconductor Microelectronics Technology Inc.	-	Financial assets at fair value through profit or loss - current	20,000	\$ 1,550		\$ 1,550	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Quang Viet Enterprise Co., Ltd.	<u>Publicly traded convertible bonds</u> Ennoconn Corp.	-	Financial assets at fair value through profit or loss - current	50,000	\$ <u>5,450</u>		\$ <u>5,450</u>	
King Hamm Industrial Co., Ltd.	<u>Publicly traded shares</u> Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50,000	\$ <u>26,150</u>		\$ <u>26,150</u>	
King Hamm Industrial Co., Ltd.	<u>Publicly traded shares</u> Elite Semiconductor Microelectronics Technology Inc.	-	Financial assets at fair value through profit or loss - current	100,000	\$ <u>7,750</u>		\$ <u>7,750</u>	

Note 1: The term “Marketable Securities” in this table refers to the IFRS No. 9 “Financial Instruments”, which refers to the stocks, bonds, beneficiary certificates and derivatives of the above items.

Note 2: For information on subsidiaries, affiliates, and interests in joint ventures, refer to Tables 8 and 9.

(Concluded)

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COST OF AT LEAST NT300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship	Information on previous transfer if counterparty is a related party				Pricing Reference	Purpose of acquisition	Other terms
							Property owner	Relationship	Date of transaction	Amount			
Quang Viet Enterprise Co., Ltd.	Real estate	2023/1/18	\$ 236,000	Payment in accordance with the sale and purchase agreement	Natural person	-	NA	NA	NA	NA	Refer to the transaction prices nearby the area and real estate appraisal report issued by professional appraiser	For office use	None
King Hamm Industrial Co., Ltd.	Real estate	2023/4/18	375,000	Payment in accordance with the sale and purchase agreement	Desheng Construction Co., Ltd.	-	NA	NA	NA	NA	Refer to the transaction prices nearby the area and real estate appraisal report issued by professional appraiser	For office use	None

Note 1: The appraisal result should be presented in the "Basis or reference used in setting the price" if an appraisal report issued by a professional appraiser shall be obtained.

Note 2: Paid-in capital means the shares that the Company issued and fully paid. In the case of the Company whose shares have no par value or a par value other than NT\$10, the term "20% of the Company's paid-in capital" used herein shall be calculated based on the equity attributable to shareholders of the parent in the balance sheet.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.



## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTS\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	Subsidiary	Processing fee	\$ 1,696,075	19	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	\$ (265,934)	18	Note
	Quang Viet (Tien Giang) Co., Ltd.	Subsidiary	Processing fee	1,238,590	14	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(164,986)	11	Note
	Quang Viet (Long An) Co., Ltd.	Subsidiary	Processing fee	554,703	6	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(838,654)	58	Note
	Jiaxing Quang Viet Garment Co., Ltd.	Subsidiary	Purchases	316,654	3	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(126,066)	13	Note
	Atlanta Garment Manufacturing Company LLC	Subsidiary	Purchases	974,382	11	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(551,391)	57	Note
	Sidney Apparels LLC	Subsidiary	Purchases	229,445	3	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(49,634)	5	Note
	Formosa Taffeta Co., Ltd. (Group company)	Corporate director of the Company and its subsidiary	Purchases	327,514	4	Net 75 days from the end of the month when the invoice is issued	Normal transaction price	Net 75 days from the end of the month when the invoice is issued	(51,757)	5	-
Jiaxing Quang Viet Garment Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	Brother company	Purchases	301,959	20	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(55,819)	50	Note
	Formosa Taffeta Co., Ltd. (Group company)	Corporate director of the Company and its subsidiary	Purchases	104,755	7	Net 75 days from the end of the month when the invoice is issued	Normal transaction price	Net 75 days from the end of the month when the invoice is issued	(4,127)	4	-
King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	Subsidiary	Processing fee	185,005	14	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	-	-	Note
	King Hung Garments Industrial Co., Ltd.	Subsidiary	Processing fee	167,052	12	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	-	-	Note
	Atlanta Garment Manufacturing Company LLC	Brother company	Purchases	295,815	22	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(109,494)	48	Note
	Sidney Apparels LLC	Brother company	Purchases	178,281	13	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(71,964)	31	Note
Top One Down & Feather Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	Subsidiary	Purchases	101,066	13	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(8,733)	99	Note
Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	Subsidiary	Purchases	140,084	74	Internal transfer pricing	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(60,126)	94	Note

Note: The above transactions have been eliminated during the preparation of the consolidated financial statements.

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 SEPTEMBER 30, 2023  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance Receivables from Related Parties (Note1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Quang Viet Enterprise Co., Ltd.	Quang Viet (Long An) Co., Ltd.	Subsidiary	\$ 145,215	Note 2	\$ -	-	\$ -	\$ -
Quang Viet Enterprise Co., Ltd.	Atlanta Garment Manufacturing Company LLC	Subsidiary	568,354	Note 2	-	-	28,493	-
Quang Viet Enterprise Co., Ltd.	Sidney Apparels LLC	Subsidiary	823,724	Note 2	-	-	-	-
Quang Viet Enterprise Co., Ltd.	Biancospino S.R.L.	Subsidiary	119,748	Note 2	-	-	-	-
Kwang Viet Garment Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	265,934	16.73	-	-	97,699	-
Quang Viet (Tien Giang) Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	164,986	20.02	-	-	81,100	-
Quang Viet (Long An) Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	838,654	1.03	-	-	43,726	-
Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	Subsidiary	231,653	Note 2	-	-	-	-
Jiaying Quang Viet Garment Co., Ltd.	Quang Viet Enterprise Co., Ltd.	Subsidiary	126,066	3.89	-	-	-	-
Atlanta Garment Manufacturing Company LLC	Quang Viet Enterprise Co., Ltd.	Subsidiary	551,391	3.6	-	-	87,055	-
Atlanta Garment Manufacturing Company LLC	King Hamm Industrial Co., Ltd.	Brother company	109,494	3.6	-	-	26,326	-

Note1: The above transactions have been eliminated during the preparation of the consolidated financial statements.

Note2: Belongs to other receivables, so the turnover rate is not calculated.

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	1	Cost of goods sold (processing fee)	\$ 1,696,075	Mutual agreement on internal transfer pricing	12
		Kwang Viet Garment Co., Ltd.	1	Other payables	265,934	"	1
		Quang Viet (Tien Giang) Co., Ltd.	1	Cost of goods sold (processing fee)	1,238,590	"	9
		Quang Viet (Tien Giang) Co., Ltd.	1	Prepayments for inventory	164,986	"	1
		Quang Viet (Long An) Co., Ltd.	1	Cost of goods sold (processing fee)	554,703	"	4
		Quang Viet (Long An) Co., Ltd.	1	Other receivables	145,215	"	1
		Quang Viet (Long An) Co., Ltd.	1	Other payables	838,654	"	5
		Jiaxing Quang Viet Garment Co., Ltd.	1	Cost of goods sold (purchase of finished goods)	316,654	"	2
		Jiaxing Quang Viet Garment Co., Ltd.	1	Technical service revenue	79,066	"	1
		Jiaxing Quang Viet Garment Co., Ltd.	1	Trade payables	126,066	"	1
		Atlanta Garment Manufacturing Company LLC	1	Cost of goods sold (purchase of finished goods)	974,382	"	7
		Atlanta Garment Manufacturing Company LLC	1	Other receivables	568,354	"	3
		Atlanta Garment Manufacturing Company LLC	1	Trade payables	551,391	"	3
		Top One Down & Feather Co., Ltd.	1	Cost of goods sold (purchase of raw material)	77,494	"	1
		Sidney Apparels LLC	1	Cost of goods sold (purchase of finished goods)	229,445	"	2
Sidney Apparels LLC	1	Other receivables	823,724	"	4		
Biancospino S.R.L.	1	Other receivables	119,748	"	1		
1	Jiaxing Quang Viet Garment Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	3	Cost of goods sold (purchase of raw material)	\$ 301,959	"	2
		Zhejiang Shang Hong Garment Co., Ltd.	3	Cost of goods sold (processing fee)	72,049	"	1
2	Top One Down & Feather Co., Ltd.	Top One Down & Feather Shu Yang Co., Ltd.	3	Cost of goods sold (purchases)	101,066	"	1
3	King Hamm Industrial Co., Ltd.	King Hamm Industrial Co., Ltd. (VN)	3	Cost of goods sold (processing fee)	185,005	"	1
		King Hung Garments Industrial Co., Ltd.	3	Cost of goods sold (processing fee)	167,052	"	1
		Atlanta Garment Manufacturing Company LLC	3	Cost of goods sold (purchase of finished goods)	295,815	"	2
		Atlanta Garment Manufacturing Company LLC	3	Trade payables	109,494	"	1
		Sidney Apparels LLC	3	Cost of goods sold (purchase of finished goods)	178,281	"	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
4	Principle & Will Co., Ltd.	Principle & Will Biotech (Pinghu) Co., Ltd.	3	Cost of goods sold (purchases)	\$ 140,084	Mutual agreement on internal transfer pricing	1
		Principle & Will Biotech (Pinghu) Co., Ltd.	3	Other receivables	231,653	"	1
		Principle & Will Biotech (Pinghu) Co., Ltd.	3	Prepayments	282,587	"	2
		Principle & Will Biotech (Pinghu) Co., Ltd.	3	Contract liabilities	251,186	"	1

Note 1: The numbering sequence for transactions between the parent company and its subsidiaries is as follows:

- a. The parent company is numbered 0.
- b. Subsidiaries are numbered sequentially from 1.

Note 2: The three types of relationships between transacting parties are as follows, the same transaction between the parent company and its subsidiary or between subsidiaries is only listed on one end.

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Between subsidiaries.

Note 3: Transaction price as a percentage of total sales or total assets is calculated based on the percentage of the ending balance to consolidated total assets for balance sheet items, and calculated based on the interim amount as a percentage of consolidated total revenue for income statement line items.

Note 4: The transactions of this table are listed based on materiality as determined by the Company.

(Concluded)

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars, and Thousands of Vietnamese Dong, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note	
				September 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount				
Quang Viet Enterprise Co., Ltd.	Kwang Viet Garment Co., Ltd.	Vietnam	Manufacturing and processing of apparel	\$ 490,547 (VND 314,769,696)	\$ 303,219 (VND 172,313,196)	-	100.00	\$ 802,653 (VND 603,419,836)	\$ 104,321 (VND 79,802,426)	\$ 103,570 (VND 79,227,742)	-	
	Spring Co., Ltd.	Samoa	Holding company	476,343 (US\$ 15,230,000)	476,343 (US\$ 15,230,000)	15,230,000	100.00	2,105,657 (US\$ 65,251,239)	59,110 (US\$ 1,911,210)	58,427 (US\$ 1,889,131)	-	
	Quang Viet (Tien Giang) Co., Ltd.	Vietnam	Manufacturing and processing of apparel	761,563 (VND 521,418,024)	761,563 (VND 521,418,024)	-	100.00	608,731 (VND 457,632,860)	65,309 (VND 49,959,615)	72,586 (VND 55,525,777)	-	
	Q.V.S. Limited	Samoa	Holding company	77,450 (US\$ 2,100,000)	77,450 (US\$ 2,100,000)	2,100,000	100.00	2,054 (US\$ 63,637)	(30,149) (US\$ -974,803)	(30,149) (US\$ -974,803)	-	
	Top One Down & Feather Co., Ltd.	Taiwan	Sale of down products	478,385	478,385	47,838,480	95.68	566,225	49,733	49,551	-	
	Q Gear Limited	Samoa	Agency for sale to external parties	1,510 (US\$ 50,000)	1,510 (US\$ 50,000)	50,000	100.00	111,831 (US\$ 3,465,485)	5,204 (US\$ 168,259)	5,204 (US\$ 168,259)	-	
	Quang Viet (Long An) Co., Ltd.	Vietnam	Manufacturing and processing of apparel	482,716 (VND 341,987,000)	482,716 (VND 341,987,000)	-	100.00	939,118 (VND 706,011,578)	119,341 (VND 91,292,373)	118,812 (VND 90,887,466)	-	
	Biancospino S.R.L.	Romania	Manufacturing and processing of apparel	274,104 (RON 36,554,700)	274,104 (RON 36,554,700)	-	51.00	177,435 (RON 26,020,305)	66,716 (RON 9,831,991)	34,025 (RON 5,014,315)	-	
	Atlanta Garment Manufacturing Company LLC	Jordan	Manufacturing and processing of apparel	13,839 (JOD 330,000)	13,839 (JOD 330,000)	-	60.00	337,566 (JOD 7,406,160)	93,402 (JOD 2,138,129)	57,522 (JOD 1,316,789)	-	
	King Hamm Industrial Co., Ltd.	Taiwan	Manufacturing, processing, and sale of apparel	600,251	462,763	18,888,290	45.65	775,081	171,927	80,142	-	
	W&D Apparel (Jordan) Corp.	Jordan	Manufacturing and processing of apparel	34,214 (JOD 782,340)	34,214 (JOD 782,340)	-	65.00	47,938 (JOD 1,051,758)	18,515 (JOD 423,843)	12,035 (JOD 275,498)	-	
	Q.V.P. Limited	Samoa	Holding company	420,934 (US\$ 14,780,000)	420,934 (US\$ 14,780,000)	14,780,000	100.00	739,226 (US\$ 22,907,528)	(2,076) (US\$ -67,124)	(2,076) (US\$ -67,124)	-	
	Sidney Apparels LLC	Jordan	Manufacturing and processing of apparel	106,203 (US\$ 3,350,001)	- (JOD 1)	2,593,086	100.00	(196,437) (US\$ -6,087,286)	(197,305) (US\$ -6,379,473)	(195,086) (US\$ -6,307,737)	-	
	Golden Style Apparels LLC	Jordan	Manufacturing and processing of apparel	2,273 (JOD 50,000)	2,273 (JOD 50,000)	-	100.00	2,234 (JOD 49,016)	(1) (JOD -8)	(1) (JOD -12)	-	
	Top One Down & Feather Co., Ltd.	T.O.D. Limited	Samoa	Holding company	271,666 (US\$ 9,000,000)	271,666 (US\$ 9,000,000)	9,000,000	100.00	593,511 (US\$ 18,150,063)	47,483 (US\$ 1,535,276)	50,323 (US\$ 1,627,105)	-
	King Hamm Industrial Co., Ltd.	King Hung Garments Industrial Co., Ltd.	Vietnam	Manufacturing and processing of apparel	\$ 87,634 (US\$ 2,910,000)	\$ 87,634 (US\$ 2,910,000)	-	100.00	\$ 92,534 (US\$ 2,867,496)	\$ (16,562) (US\$ -535,489)	\$ (13,990) (US\$ -453,520)	-
		King Hamm Industrial Co., Ltd. (VN)	Vietnam	Manufacturing and processing of apparel	214,322 (US\$ 7,080,000)	214,322 (US\$ 7,080,000)	-	100.00	195,616 (US\$ 6,061,856)	(17,563) (US\$ -567,855)	(18,703) (US\$ -622,862)	-
Kingsville Garment Industry		Jordan	Manufacturing and processing of apparel	11,025 (JOD 253,915)	2,252 (JOD 50,000)	-	100.00	49,203 (JOD 1,079,517)	(621) (JOD -14,226)	(621) (JOD -14,226)	-	
Q.V.P. Limited	Principle & Will Co., Ltd.	Samoa	Holding company	420,650 (US\$ 14,770,000)	420,650 (US\$ 14,770,000)	10,000,000	50.00	739,048 (US\$ 22,902,017)	3,362 (US\$ 105,491)	2,077 (US\$ 67,142)	-	
Principle & Will Co., Ltd.	Joykey Industrial Limited	Hong Kong	Holding company	66,848 (RMB 15,453,317)	66,848 (RMB 15,453,317)	-	100.00	81,576 (RMB 18,150,063)	(11,570) (RMB -2,621,621)	(11,570) (RMB -2,621,621)	-	

TABLE 9

## QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2(b))	Carrying Amount as of September 30, 2023	Accumulated Repatriation of Investment Income as of September 30, 2023	Note
					Outward	Inward							
Jiaxing Quang Viet Garment Co., Ltd.	Manufacturing, processing, and sale of apparel	\$ 445,785 (RMB 98,939,650)	(b) Spring Co., Ltd.	\$ 445,785 (US\$ 14,200,000)	\$ -	\$ -	\$ 445,785 (US\$ 14,200,000)	\$ 59,110 (RMB 13,393,397)	100.00	\$ 59,110 (RMB 13,393,397) 2)	\$ 2,106,210 (RMB 468,613,771)	\$ -	-
Top One Apparel Shu Yang Co., Ltd.	Manufacturing and processing of apparel	61,693 (RMB 13,228,560)	(b) Q.V.S. Limited	61,693 (US\$ 2,100,000)	-	-	61,693 (US\$ 2,100,000)	(30,163) (RMB -6,834,378)	100.00	(30,163) (RMB -6,834,378) 2)	34,058 (RMB 7,577,631)	-	-
Zhejiang Shang Hong Garment Co., Ltd.	Manufacturing and processing of apparel	43,650 (RMB 10,000,000)	(c) Top One Apparel Shu Yang Co., Ltd.	-	-	-	-	(18,619) (RMB -4,218,803)	100.00	(18,619) (RMB -4,218,803) 2)	9,842 (RMB 2,189,689)	-	-
Top One Down & Feather Shu Yang Co., Ltd.	Manufacturing, processing and sale of down products	267,934 (RMB 56,000,000)	(b) T.O.D. Limited	267,934 (US\$ 8,877,506)	-	-	267,934 (US\$ 8,877,506)	47,575 (RMB 10,779,605)	95.68	48,237 (RMB 10,929,643) 2)	589,886 (RMB 131,244,668)	-	-
Principle & Will Biotech (Pinghu) Co., Ltd.	Manufacturing, processing and sale of medical products	740,363 (RMB 161,189,287)	(b) Principle & Will Co., Ltd.	-	-	-	-	12,880 (RMB 2,918,406)	50.00	6,440 (RMB 1,459,203) 2)	592,196 (RMB 131,758,590)	-	-
Principle & Will Biotech (Xiantao) Co., Ltd.	Manufacturing, processing and sale of medical products	187,540 (RMB 41,873,793)	(b) Joykey Industrial Limited	-	-	-	-	(16,669) (RMB -3,776,971)	14.64	(1,628) (RMB -368,854) 2)	48,531 (RMB 10,797,781)	-	-
Joykey Industrial (Pinghu) Limited	Manufacturing and sale of medical products	16,568 (RMB 3,579,524)	(b) Joykey Industrial Limited	-	-	-	-	(451) (RMB -102,127)	50.00	(451) (RMB -102,127) 2)	33,045 (RMB 7,352,283)	-	-
Principle & Will Biotech (Xiantao) Co., Ltd.	Manufacturing, processing and sale of medical products	187,540 (RMB 41,873,793)	(c) Principle & Will Biotech (Pinghu) Co., Ltd.	-	-	-	-	(16,669) (RMB -3,776,971)	35.36	(3,932) (RMB -890,893) 2)	116,497 (RMB 27,032,264)	-	-
Anhui Xingxing Garment Co., Ltd.	Manufacturing, processing and sale of apparel	253,170 (RMB 57,980,000)	(c) Jiaxing Quang Viet Garment Co., Ltd.	-	-	-	-	323,876 (RMB 73,384,903)	19.02	61,257 (RMB 13,879,857) 3)	489,032 (RMB 108,805,509)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by Investment Commission, MOEA (Note 3)
\$775,412 (US\$25,177,506)	\$1,893,241 (US\$58,668,756) (Exchange rate: 32.27)	\$6,202,101

Note 1: The three methods of investment are as follows:

- a. Direct investment in China
- b. Indirect investment through a company registered in a third region
- c. Others

Note 2: The amount recognized in investment income in the current year:

- a. Should be indicated if currently under preparation and not generating investment income.
- b. The basis of recognition of investment profit (loss) should be indicated and is classified as follows:
  - 1) Amount was recognized based on the financial statements audited by international audit firms with business relationships with audit firms in the ROC.
  - 2) Amount was recognized based on the parent company's audited financial statements.
  - 3) Others.

Note 3: According to Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China administered by the Foreign Investment Commission, the amount is limited to the higher of the net worth of the investor company or 60% of the consolidated net worth.

**QUANG VIET ENTERPRISE CO., LTD. AND SUBSIDIARIES**

**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 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Jiaxing Quang Viet Garment Co., Ltd.	Purchases	\$ 316,654	21	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	\$ (126,066)	13	\$ -	Notes 1 and 2
	Technical service revenue	79,066	175	"	-	32,005	42	-	
Top One Down & Feather Shu Yang Co., Ltd.	Purchase of raw material	101,066	93	Internal transfer pricing	Net 60 days from the end of the month when the invoice is issued	(8,733)	99	1,323	

Note 1: The proportion of technical service revenue to purchases/sales is calculated based on its percentage to consolidated other income.

Note 2: The proportion of technical service receivable to receivables is calculated based on its percentage to consolidated other receivables.

**TABLE 11****QUANG VIET ENTERPRISE CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Formosa Taffeta Co., Ltd.	18,595,352	17.97
Top One Investment Co., Ltd.	15,683,419	15.16

Note 1: 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 Company 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.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have the rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.