SHINIH ENTERPRISE CO., LTD.
and Subsidiaries

Consolidated Financial Statements for the

Years Ended December 31, 2023 and 2022 and

Independent Auditors' Report

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of SHINIH ENTERPRISE CO., LTD. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, SHINIH ENTERPRISE CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

SHINIH ENTERPRISE CO., LTD.

By SHINIH ENTERPRISE CO., LTD.

Authorized Signature

CHIEN JUI JUI
Chairman

March 11, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
SHINIH ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of SHINIH ENTERPRISE CO., LTD. and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation Engagements of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements for the year ended December 31, 2023 are stated as follows：

1. Impairment of accounts receivable

   As of December 31, 2023, the accounts receivable of SHINIH ENTERPRISE CO., LTD. and its subsidiaries were assessed the impairment loss by its policies. The increase of collection risk of accounts receivable might result from the global economic uncertainty, and the assessments on expected credit impairment loss involved the management exercised their judgments on the assumptions of client’s credit risk. Therefore, we identified the impairment of accounts receivable assessment as a key matter for auditing of these consolidated financial statements.

   Our main audit procedures include testing the controlled points related to the Group’s collection and reviewing the subsequent collection records; obtaining the accounts receivable aging schedule provided by the management and verifying the accuracy of its aging range by selected samples; analyzing the comparison between the aged periods and proportions to assess the reasonableness of impairment of accounts receivable; and assessing the appropriateness about the disclosure of impairment of accounts receivable by the management.

2. Valuation of allowance to reduce inventory to market

   The accounting policies of loss for market price decline and obsolete and slow-moving inventories of SHINIH ENTERPRISE CO., LTD. and its subsidiaries were based on the loss for obsolete and slow-moving inventories in the inventories aging information. Those information resources were the management based on the sales, obsolete and qualities of inventories to judge and assess the net realized value of inventories and measured the inventories value by the lower of cost and net realized value, and provision for reducing inventory to market. Therefore, we identified the valuation of allowance to reduce inventory to market as a key matter for auditing these consolidated financial statements.

   Our main audit procedures include assessing the Group’s provision of inventories based on the nature of inventories; inspecting the accuracy of inventories aging schedule by selected samples; assessing the reasonableness of the rate for loss market price decline and obsolete and slow-moving inventories and the Group’s management’s assumptions; inspecting the correctness of the

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Group's previous inventories allowance and comparison with the estimated inventories allowance in the current period to assess the appropriateness of the estimated methods and assumptions for the current period; and assessing the appropriateness of the management's disclosure about the allowance to reduce inventory to market.

3. Impairment assessment of property, plant and equipment

As of December 31, 2023, the Group's property, plant and equipment were NT$2,167,358 thousand, representing 36% of the total assets. The management regularly reviewed whether there were any indications of impairment on property, plant and equipment under the regulations of IAS 36 impairment of assets. Assessing the impairment loss of non-financial assets needs through forecasting and discounting future cash flow to estimate recoverable amounts. The process is, in essence, significant uncertainty; therefore, we identified it as a key matter for auditing these consolidated financial statements.

Our main audit procedures include obtaining the assessment form of impairment of assets by the Group's self-assessment; assessing the reasonableness of the impairment indications identified by the management; inspecting whether the Group's use of property, plant and equipment and the range or methods expected to be used have a material adverse change; and reviewing whether the Company's economic performance on property, plant and equipment was below expectation.

4. Recognition of gain on land expropriation and compensation agreement

As mentioned in note 6(26) of the consolidated financial statement, sub-subsidiary of SHINIH ENTERPRISE CO., LTD., Shinih Fiber Products (Suzhou) Co., Ltd. entered into the "land expropriation and compensation agreement" with Taicang Municipal People's Government in November 2022 for the local people government's construction plan, including that Shinih Fiber Products (Suzhou) Co., Ltd. has to the recovery of non-movable objects such as land-use right, buildings and equipment, suspend production or operations, and compensation such as cease labor contract and relocation expense within the limitation periods. Shinih Fiber Products (Suzhou) Co., Ltd. has been implemented under the contract and received total subsidies in March 2023 , those expropriation compensations and its related relocation expense recognized as net profit in profit or loss. Considering the land expropriation is material to the consolidated financial statement, and the management's subjective judgment will influence its recognition of relocation expenses and the revenue recognition. Therefore, we identified this land expropriation and compensation as a key audit matter for auditing these consolidated financial statements.

Our main audit procedures include obtaining the land expropriation and compensation agreement signed with the local government for reviewing the relevant agreement to understand Shinih Fiber Products (Suzhou) Co., Ltd. obtained the rights and obligations on receiving the land expropriation compensation income; inspecting the consistency between the relevant resolution of the Board meeting minutes and those mentioned by the management; verifying the land expropriation compensation income and relocation expense documents by selected samples to check the consistency between the actual payments and the amounts mentioned in the contracts; verifying the consistency between the derecognition items and documents and checking the correctness of its disposal interest; reviewing the accounting treatment of expropriation transaction and assessing the correctness of its accounting items.

Other Matter

We have also audited the parent company only financial statements of SHINIH ENTERPRISE CO., LTD. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance including members of the Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of

China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended

December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Huang ,Chien Chen and Yang, Chen Yu.

Crowe TW CPAs

CROWE (TW) CPAs
Taichung, Taiwan (Republic of China)

March 11, 2024

Notice to Readers

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

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
ASSETS	NOTES	Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	$ 1,786,752	30	$ 1,999,100	32
Notes receivable, net	6(2)	16,559	-	35,055	1
Accounts receivable, net	6(3)、7	260,934	4	318,761	5
Other receivables, net	6(4)、7	16,545	-	16,464	-
Current income tax assets	6(28)	18,887	-	18,429	-
Inventories, net	6(5)	392,131	7	551,534	9
Prepayments		111,786	2	102,192	2
Non-current assets or disposal groups classified as held for sale	6(6)	340,051	6	63,913	1
Other financial assets - current	6(7)	346,861	6	239,425	4
Other current assets		537	-	403	-
Total current assets		3,291,043	55	3,345,276	54
NONCURRENT ASSETS					
Property, plant and equipment	6(8)	2,167,358	36	2,185,864	35
Right-of-use assets	6(9)、7	206,471	4	255,828	4
Investment property	6(10)	155,920	3	157,497	3
Intangible assets	6(11)	7,847	-	7,855	-
Deferred income tax assets	6(28)	107,519	2	105,429	2
Prepayments for business facilities		9,054	-	28,875	1
Refundable deposits		13,713	-	13,260	-
Other financial assets - noncurrent	6(1)	-	-	76,954	1
Other noncurrent assets	6(16)	1,109	-	1,600	-
Total noncurrent assets		2,668,991	45	2,833,162	46
TOTAL		$ 5,960,034	100	$ 6,178,438	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(12)	$ 820,000	14	$ 480,687	8
Contract liabilities - current	6(23)、7	14,429	-	26,387	1
Notes payable		34,330	1	30,127	1
Accounts payable	7	77,929	1	86,853	2
Other payables	6(13)	182,311	3	264,549	4
Other payables - related parties	7	36,818	1	37,318	1
Current income tax liabilities	6(28)	23,965	-	198,405	3
Liabilities related to non-current assets or disposal groups classified as held for sale	6(6)	14,863	-	92,130	1
Lease liabilities - current	6(9)、7	28,331	1	46,907	1
Receipts in advance		9,519	-	19,396	-
Deferred revenue	6(14)	-	-	63,327	1
Long-term liabilities - current portion	6(15)	178,333	3	166,250	3
Other current liabilities		1,832	-	8,413	-
Total current liabilities		1,422,660	24	1,520,749	25
NONCURRENT LIABILITIES					
Long term loans	6(15)	795,417	13	973,750	16
Deferred income tax liabilities	6(28)	155,555	3	102,359	2
Lease liabilities - noncurrent	6(9)、7	52,670	1	74,318	1
Long-term deferred revenue	6(9)	8,218	-	8,572	-
Net defined benefit liability - noncurrent	6(16)	7,790	-	7,527	-
Guarantee deposit received		4,517	-	5,171	-
Total noncurrent liabilities		1,024,167	17	1,171,697	19
Total liabilities		2,446,827	41	2,692,446	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Common stocks	6(17)	1,091,071	18	1,091,071	18
Capital surplus	6(18)	230,774	4	230,774	4
Retained earnings	6(19)				
Legal capital reserve		395,229	7	372,632	6
Special capital reserve		106,123	2	148,961	2
Unappropriated earnings		1,665,343	28	1,598,582	25
Others	6(20)	19,449	-	44,643	1
Treasury stock	6(21)	(74,888)	(1)	(74,888)	(1)
Equity attributable to shareholders of the parent		3,433,101	58	3,411,775	55
NON-CONTROLLING INTERESTS	6(22)	80,106	1	74,217	1
Total equity		3,513,207	59	3,485,992	56
TOTAL		$ 5,960,034	100	$ 6,178,438	100

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
	NOTES	Amount	%	Amount	%
NET REVENUE	6(23)、7	$ 2,114,906	100	$ 2,630,253	100
COST OF REVENUE	6(5、24)、7	(1,645,778)	(78)	(1,926,438)	(73)
GROSS PROFIT		469,128	22	703,815	27
OPERATING EXPENSES	6(24)、7				
Marketing		(219,487)	(10)	(237,234)	(9)
General and administrative		(239,372)	(11)	(274,227)	(10)
Research and development		(98,856)	(5)	(75,409)	(3)
Expected credit (loss) gain	6(3、4)	4,471	-	(17,749)	(1)
Total operating expenses		(553,244)	(26)	(604,619)	(23)
OPERATING PROFIT (LOSS)		(84,116)	(4)	99,196	4
NONOPERATING INCOME AND EXPENSES					
Interest income		70,568	3	24,288	1
Other income	6(25)	34,067	1	38,394	1
Other gains and losses	6(26)	380,292	18	306,185	12
Finance costs	6(27)、7	(29,134)	(1)	(23,745)	(1)
Total nonoperating income and expenses		455,793	21	345,122	13
INCOME BEFORE INCOME TAX		371,677	17	444,318	17
INCOME TAX EXPENSE	6(28)	(195,211)	(9)	(203,226)	(8)
NET INCOME		176,466	8	241,092	9
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss：					
Remeasurement of defined benefit obligation	6(16、29)	(58)	-	2,000	-
Income tax expenses related to items that will not be reclassified subsequently	6(28、29)	12	-	(400)	-
Items that may be reclassified subsequently to profit or loss：					
Exchange differences arising on translation of foreign operations	6(20、22、29)	(31,075)	(1)	113,303	4
Income tax benefit (expenses) related to items that may be reclassified	6(28、29)	6,299	-	(21,870)	-
Other comprehensive income (loss) for the year, net of income tax		(24,822)	(1)	93,033	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$ 151,644	7	$ 334,125	13
NET INCOME ATTRIBUTABLE TO：					
Shareholders of the parent		$ 157,614	7	$ 224,400	9
Non-controlling interests		18,852	1	16,692	-
		$ 176,466	8	$ 241,092	9
TOTAL COMPREHENSIVE INCOME：					
Shareholders of the parent		$ 132,530	6	$ 313,447	13
Non-controlling interests		19,114	1	20,678	-
		$ 151,644	7	$ 334,125	13
EARNINGS PER SHARE (IN DOLLARS)	6(30)				
Basic earnings per share		$ 1.49		$ 2.12	
Diluted earnings per share		$ 1.48		$ 2.11	

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		Capital Surplus		Retained Earnings			Others				
	Common Stocks	Additional Paid-in Capital Arising From Bond Conversion	Others	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Treasury Stock	Total Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	$ 1,091,071	213,926	16,848	321,311	115,929	1,562,593	(42,838)	(68,448)	3,210,392	66,292	3,276,684
Appropriations of prior year's earnings											
Legal capital reserve	-	-	-	51,321	-	(51,321)	-	-	-	-	-
Special capital reserve	-	-	-	-	33,032	(33,032)	-	-	-	-	-
Cash dividends to shareholders - NT$1.00 per share	-	-	-	-	-	(105,603)	-	-	(105,603)	-	(105,603)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(12,753)	(12,753)
Net income in 2022	-	-	-	-	-	224,400	-	-	224,400	16,692	241,092
Other comprehensive income in 2022	-	-	-	-	-	1,566	87,481	-	89,047	3,986	93,033
Purchase of treasury stock	-	-	-	-	-	-	-	(13,580)	(13,580)	-	(13,580)
Treasury stock sold to employees	-	-	-	-	-	(21)	-	7,140	7,119	-	7,119
BALANCE, DECEMBER 31, 2022	1,091,071	213,926	16,848	372,632	148,961	1,598,582	44,643	(74,888)	3,411,775	74,217	3,485,992
Appropriations of prior year's earnings											
Legal capital reserve	-	-	-	22,597	-	(22,597)	-	-	-	-	-
Special capital reserve	-	-	-	-	(42,838)	42,838	-	-	-	-	-
Cash dividends to shareholders - NT$1.05 per share	-	-	-	-	-	(111,204)	-	-	(111,204)	-	(111,204)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,225)	(13,225)
Net income in 2023	-	-	-	-	-	157,614	-	-	157,614	18,852	176,466
Other comprehensive income (loss) in 2023	-	-	-	-	-	110	(25,194)	-	(25,084)	262	(24,822)
BALANCE, DECEMBER 31, 2023	$ 1,091,071	$ 213,926	$ 16,848	$ 395,229	$ 106,123	$ 1,665,343	$ 19,449	$ (74,888)	$ 3,433,101	80,106	3,513,207

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

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 371,677	$ 444,318
Adjustments to reconcile profit (loss)		
Expected credit loss (gain)	(4,471)	17,749
Depreciation	208,141	196,441
Amortization	2,108	1,862
Interest expense	29,134	23,745
Interest income	(70,568)	(24,288)
Gain on disposal of property, plant and equipment	(8,321)	(1,787)
Gain on disposal of non-current assets held for sales	(90,999)	-
Gain on lease modification	-	(149)
Impairment loss on non-financial assets	-	49,966
Gain on land expropriation compensation from government	(282,284)	(326,361)
Changes in operating assets and liabilities		
Notes receivable	18,003	8,729
Accounts receivable	61,240	51,827
Inventories	159,403	22,216
Other receivables	6,379	(5,625)
Prepayments	(10,773)	13,114
Other current assets	(134)	122
Contract liabilities	(11,958)	10,911
Notes payable	4,203	(19,937)
Accounts payable	(7,517)	(50,308)
Other payables	(17,767)	4,381
Advance payment	(9,877)	13,766
Deferred revenue	(214)	(215)
Other current liabilities	(6,581)	2,945
Net defined benefit liability	(437)	(831)
Cash provided from operations	338,387	432,591
Interest received	62,403	21,883
Interest paid	(31,709)	(25,207)
Income taxes paid	(303,423)	(206,020)
Net cash provided by operating activities	65,658	223,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of non-current assets classified as held for sales	63,753	-
Acquisition of property, plant and equipment	(174,115)	(247,344)
Proceeds from disposal of Property, plant and equipment	14,089	9,603
Acquisition of intangible assets	(1,651)	(1,044)
Decrease in prepayments for business facilities	11,698	15,453
Increase in receipts in advance - disposal of assets	-	92,130
Increase in refundable deposits	(526)	(3,848)
Decrease (increase) in other financial assets	(45,834)	643,646
Decrease (increase) in other noncurrent assets	698	(579)
Receipts in advance of land expropriation compensation from government	243,178	491,626
Net expenditure for plant relocating	(40,699)	(16,278)
Net cash provided by investing activities	70,591	983,365

(Continued)

SHINIH ENTERPRISE CO., LTD. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increae in short-term loans	$ 339,313	$ 38,485
Proceeds from long-term loans	-	150,000
Repayment of long-term loans	(166,250)	(50,000)
Repayment of the principal portion of lease liabilities	(43,185)	(50,475)
Decrease in guarantee deposit	(586)	(303)
Cash dividends paid	(111,204)	(105,603)
Decrease in non-controlling interests	(13,225)	(12,753)
Payments to acquire treasury stock	-	(13,580)
Treasury stock sold to employees	-	7,119
Net cash provided by (used in) financing activities	4,863	(37,110)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(33,309)	75,327
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,803	1,244,829
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,999,100	754,271
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,106,903	$ 1,999,100

ADJUSTMENT OF CASH AND CASH EQUIVALENT AT THE END OF YEAR

	2023	2022
CASH AND CASH EQUIVALENT ON CONSOLIDATED BALANCE SHEETS	$ 1,786,752	$ 1,999,100
Cash and cash equivalents included in disposal groups classified as held for sale	320,151	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,106,903	$ 1,999,100

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

SHINIH ENTERPRISE CO., LTD. ("the Company") was established under the laws of the Republic of China in accordance with the Company Act of 1962, initiating its commercial activities within that calendar year. The Company's operational scope encompasses the production and refinement of nonwoven fabric materials, alongside the fabrication of insulation and industrial materials. Additionally, the Company is actively involved in the commerce of ancillary products, textile machinery, and engages in the real estate sector through the development, marketing, and leasing of mixed-use edifices.

The equity shares of the Company have been publicly listed and are actively traded on the Taiwan Stock Exchange (TWSE) since the 26th of August, 2002. The principal business activities of the Company and its subsidiaries (the "Group") are described in the aforementioned section and note 4.3 B.

2. THE AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 11, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and effective from 2023 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note A)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note B)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note C)
Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules”	(Note D)

Note A: An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2023.

Note B: The amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting period beginning on or after January 1, 2023.

Note C: Except for the temporary differences associated with leases and decommissioning obligations that should be in compliance with additional regulations, the amendments will be applied prospectively to transactions occur on or after the beginning of the earliest period presented, January 1, 2022.

Note D: As a temporary exception under IAS 12, an entity shall not recognize deferred income tax assets and liabilities associated with Pillar 2 income tax, nor shall it disclose the related information. However, the entity shall disclose in its financial report that it has already applied this exception. An entity shall apply this part of the amendment retrospectively in accordance with IAS 8 since the date that the amendments were issued (i.e. May 23, 2023). An entity shall apply the remaining disclosure requirements for the annual reporting periods beginning on or after January 1, 2023 and needs not to disclose such information in its interim reports with a reporting date ending before or on December 31, 2023

(1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments clarify that an entity shall disclose its material significant accounting policy information if the transaction, other event or condition to which the accounting policy information relates is material in size or nature, or a combination of both, and the accounting policy information that relates to a material transaction, other event or condition is also material to the financial statements. On the other hand, if the transaction, other event or condition to which the accounting policy information relates is immaterial in size or nature, an entity needs not to disclosure the accounting policy information that relates to the immaterial transaction, other event or condition. Additionally, Immaterial accounting policy information that relates to material transactions, other events or conditions need not be disclosed, either. However, an entity’s conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other IFRS Standards.

(2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty and clarify that a change in measurement techniques or inputs used to develop an accounting estimate is a change in accounting estimates unless the change is due to an error from prior periods.

(3) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities Arising from a Single Transaction"

The amendments narrow the exemption extent in paragraphs 15 and 24 of IAS 12 for an entity from recognizing a deferred tax asset or liability in particular circumstances. In particular, the exemption does not apply to a transaction that gives rise to equal taxable and deductible difference at the time of the transaction. At the initial application of the amendments, an entity shall, at the beginning of the earliest comparative period presented, recognize deferred taxes for all deductible and taxable temporary differences associated with (i) lease and (ii) decommissioning liabilities and recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. An entity shall also apply the amendments transactions that occur on or after the beginning of the earliest comparative period presented.

(4) Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules"

The amendments stipulate that, as a temporary exception to IAS 12, company shall neither recognize nor disclose information about deferred income tax assets and liabilities for Pillar Two income tax relating to international tax reform; however, company shall disclose in its financial reports that it has applied this exception. In addition, company shall separately disclose its current income tax expenses (benefits) relating to Pillar Two income tax. If the Pillar Two bill has been enacted or has been substantively enacted but has not yet taken effect, company should disclose qualitative and quantitative information on its exposure to Pillar Two income tax that is known or can be reasonably estimated. Based on the Group's assessment, the New IFRSs above have no significant effect on the Group's financial position and financial performance.

Based on the Group's assessment, the application of the New IFRSs above will not have any significant impact on the Group's financial position and financial performance.

3.2 Effect of new issuances and amendments to IFRSs endorsed by the FSC but not yet adopted by the Company:

New standards, interpretations and amendments endorsed by the FSC and effective from 2024 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024(Note A)
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 B)

Note A: The seller-lessee shall apply the amendments retrospectively in accordance with IAS 8 for the sale and leaseback transactions made after the initial application of IFRS 16.

Note B: The amendment provides certain transitional reliefs. When initially applying the amendment, entities are not required to disclose comparative information and interim period information, as well as opening information required by paragraph 44H(b)(ii)-(iii).

(1) Amendments to IFRS 16 "Lease liability in a sale and leaseback”

The amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller-lessee due to the leaseback should be treated in accordance with the IFRS 16. Moreover, if any variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

(2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that when an entity determines whether a liability is classified as non-current, the entity should assess whether it has the right to defer the settlement for at least twelve months after the reporting period. If the entity has that right on the end of reporting period, that liability must be classified as non-current regardless of whether the entity expects whether to exercise the right or not. If the entity must follow certain conditions to have the right to defer the settlement of a liability, the entity must have followed those conditions at the end of reporting period in order to have that right, even if the lender tests the entity’s compliance on a later date.

The aforementioned settlement means transferring cash, other economic resources or the entity’s equity instruments to the counterparty to extinguish the liability. If the terms of the liability give the counterparty an option to extinguish the liability by the entity’s equity instruments, and this option is recognized separately in equity in accordance with IAS 32 “Financial Instruments: Presentation”, then the classification of the liability will not be affected.

(3) Amendment to IAS 1 “Non-current Liabilities with Covenants”

This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed.

(4) Amendment to IAS 1 “Non-current Liabilities with Covenants”

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, and the entity agrees to repay the financing providers on the payment date agreed with the suppliers or a later date. The amendments to IAS 7 require an entity to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how an entity manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

Based on the Group’s assessment, the application of the New IFRSs above will not have any significant impact on the Group’s financial position and financial performance.

3.3 The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

New standards, interpretations and amendments issued by the IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
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 IRFS 17	January 1, 2023
Amendments to IRFS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

As of the date the accompanying consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

4.1 Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

4.2 Basis of Preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost basis:
   - (a) Financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss.
   - (b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of consolidated financial statements in conformity with IFRSs endorsed by the FSC requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.3 Basis of consolidation

A. Basis for preparation of consolidated financial statements:
   - (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
   - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a

deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions. 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.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership December 31,2023	Percentage of Ownership December 31,2022
The Company	TAIWAN KUREHA CO., LTD	Manufacturing and sale of nonwoven fabric material	84.62%	84.62%
"	SHINIH HOLDING CO., LTD.	Investing	100%	100%
"	SUNBURST INTERNATIONAL LTD.	International trading	100%	100%
"	VFT INC.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	KUREHA(THAILAND)CO., LTD.	Manufacturing and sale of nonwoven fabric material	50%	50%
"	SHINIH USA INC.	Investing	100%	100%
"	SHINIH VIETNAM COMPANY LTD.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	Dong Guan Taixin Fiber Products Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	INTERBOND CO., LTD.	Manufacturing and sale of nonwoven fabric material	100%	100%

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership December 31,2023	December 31,2022
"	Shinih Fiber Products (Suzhou) Co., Ltd. (Note 2)	Manufacturing and sale of nonwoven fabric material	11%(Note 1)	11%(Note 1)
SHINIH HOLDING CO., LTD.	Shinih Fiber Products (Suzhou) Co., Ltd. (Note 2)	Manufacturing and sale of nonwoven fabric material	89%(Note 1)	89%(Note 1)
	Dong Guan Shinih Fiber Products Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
	Hangzhou Shinih Fiber Products Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	Shinih Fiber Products (TangShan) Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	Taixin Fiber Products (Suzhou) Co., Ltd. (Note 2)	Manufacturing and sale of nonwoven fabric material	100%	100%
"	TangShan Taixin Fiber Products Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	Hubei Taixin Fiber Products Co., Ltd.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	SHINIH (CAMBODIA) CO., LTD.	Manufacturing and sale of nonwoven fabric material	100%	100%
"	KUNSHAN SHINIH TRADING CORPORATION LIMITED	Trading	100%	100%
"	PT. SHINIH NONWOVENS INDONESIA	Manufacturing and sale of nonwoven fabric material	99%	99%
SHINIH USA INC.	AMERICAN OUTDOOR LIVING INC.	Manufacturing, processing and trading nonwoven material	100%	100%
"	WORLD FURNITURE GROUP	Manufacturing, processing and trading nonwoven material	100%	100%
WORLD FURNITURE GROUP	AMERICAN FURNITURE ALLIANCE INC.	Manufacturing, processing and trading nonwoven material	80%	80%
"	S INTERNATIONAL INC.	Trading	100%	100%
VFT INC.	MS NONWOVEN INC.	Manufacturing, processing and trading nonwoven material	100%	100%

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership December 31,2023	December 31,2022
"	AMERICAN NONWOVEN INC.	Manufacturing, processing and trading nonwoven material	100%	100%

Note 1：The consolidated shareholding of the Company and its subsidiary were 100%.
Note 2：Taixin Suzhou and Shinih Suzhou entered into the land expropriation and compensation agreement with Loudong Subdistrict Office of the People's Government of Taicang Municipality (Taicang Municipal People's Government) in November 2022. Please refer to Note 6(26) for the information.

C. Subsidiaries that have non-controlling interests that are material to the Group

Name of subsidiary	Percentage of Ownership of Non-controlling Interest December 31, 2023	December 31, 2022
KUREHA (THAILAND) CO., LTD. (THAILAND KUREHA)	50%	50%

Name of subsidiary	Profit or Loss Distribute to Non-controlling Interest 2023	2022
THAILAND KUREHA	$ 17,224	$ 17,765
Others	1,628	(1,073)
Total	$ 18,852	$ 16,692

Name of subsidiary	Non-controlling Interest December 31, 2023	December 31, 2022
THAILAND KUREHA	$ 82,374	$ 78,210
Others	(2,268)	(3,993)
Total	$ 80,106	$ 74,217

(1) Please refer to Note 13 Table 4 for the information about the principal place of business and the country of incorporation of the subsidiaries abovementioned.

(2) The summary financial information (including the intra-company transactions) of subsidiaries are as follows：

Balance Sheets

	THAILAND KUREHA	
	December 31, 2023	December 31, 2022
Current assets	$ 171,398	$ 161,963
Non-current assets	52,343	61,184
Current liabilities	(35,032)	(31,779)
Non-current liabilities	(23,961)	(34,948)
Equity	$ 164,748	$ 156,420
Equity attributable to:		
Shareholder of the parent	$ 82,374	$ 78,210
Non-controlling Interests of THAILAND KUREHA	82,374	78,210
	$ 164,748	$ 156,420

<u>Statements of Comprehensive Incomes</u>

	THAILAND KUREHA	
	2023	2022
Revenue	$ 201,754	$ 226,902
Net profit for the period	$ 34,448	$ 35,530
Other comprehensive income (net of income tax)	330	9,996
Total comprehensive income for the period	$ 34,778	$ 45,526
Net profit attributable to:		
Shareholder of the parent	$ 17,224	$ 17,765
Non-controlling Interests of THAILAND KUREHA	17,224	17,765
Total	$ 34,448	$ 35,530
Total comprehensive income attributable to:		
Shareholder of the parent	$ 17,389	$ 22,763
Non-controlling interests of THAILAND KUREHA	17,389	22,763
Total	$ 34,778	$ 45,526

	THAILAND KUREHA	
	2023	2022
Dividends paid to non-controlling interests		
THAILAND KUREHA	$ 13,225	$ 12,753

Statements of Cash Flows

	THAILAND KUREHA	
	2023	2022
Net cash generated from operating activities	$ 29,243	$ 42,864
Net cash used in investing activities	(6,349)	(3,644)
Net cash used in financing activities	(36,693)	(34,797)
Effect of exchange rate changes on cash and cash equivalents	9,442	10,082
Net increase (decrease) in cash and cash equivalents	(4,357)	14,505
Cash and cash equivalents at beginning of year	77,845	63,340
Cash and cash equivalents at the end of year	$ 73,488	$ 77,845

D. Subsidiaries not included in the consolidated financial statements: None.

4.4 Foreign Currencies

A. Items included in the financial statements of each of the Group's entities are measured using the functional currency of each entity. The consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional currency.

B. In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Exchange differences arising in the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising in the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange difference are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rate at the date of the transaction and are not retranslated.

C. When preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and allocated appropriately to the non-controlling interest).

D. On disposal of a foreign operation that result in a loss of control, joint control, or significant influence, all related to that foreign operation could attributed to equity of the Company's owners that will be reclassified as profit or loss.

E. On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other equity is re-attributed to the non-controlling interests in that subsidiary. On any other partial disposal of a foreign operation, being the Company's ownership interest is reduced from an associate or a jointly controlled entity, that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other equity is reclassified to profit or loss.

4.5 Classification of Current and Noncurrent Assets and Liabilities

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the end of reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the end of reporting period.

The Group classifies all assets that do not meet the above criteria as noncurrent.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the end of reporting period, even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the end of reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as noncurrent.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Financial Instruments

Financial assets and liabilities shall be recognized when the Group becomes a party of the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

(a) Measurement categories

The category of the financial assets of the Group is financial assets at amortized cost.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for:

(i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

(ii) Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

(b) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments at FVTOCI, and contract assets.

The Group recognizes loss allowances at an amount equal to lifetime expected credit losses (i.e. ECLs) for accounts receivable and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs for which there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk of the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investment that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(c) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

i. The contractual rights to receive cash flows from the financial asset expired.

ii. The contractual rights to receive cash flows from the financial asset which have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

iii. The Group neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount of financial asset and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt investment at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without being recycled to profit or loss.

B. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

C. Financial liabilities

(a) Subsequent measurement

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

(b) Derecognition of financial liabilities

The Group derecognizes a financial liability when, and only when, it is extinguished—i.e. when the obligation is discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

D. Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognizes a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortized over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the Group applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

4.8 Inventories

Inventories, under a perpetual system, are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity), excluding borrowing costs. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

4.9 Property, Plant and Equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance expenses are recognized in profit or loss as incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The residual values of assets, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the residual values of assets and useful lives differ from previous estimates or the patterns of consumption of the future economic benefits of assets embodied in the assets which have changed significantly, any change is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Land improvements	5 years
Buildings	3~39 years
Machinery	3~15 years
Other equipment	2~15 years

D. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Leases

At the inception of a contract, the Group evaluates a contract to determine whether it is or contains a lease component. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Group as lessee

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, less any lease incentives received, and plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented as a separate line item in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer the ownership of the underlying assets is transferred to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed lease payments. The lease payments shall be discounted using the interest rate implicit in the lease if that rate can be readily determined.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in the assessment of an option to purchase the underlying asset, amounts expected to be payable by the lessee under residual value guarantees or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group shall remeasure the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease and making a corresponding adjustment to the right-of-use asset for all other lease modifications. Lease liabilities are presented as a separate line item in the consolidated balance sheets.

B. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When a lease includes both land and buildings elements, the Group assesses the classification of each element as a finance lease or an operating lease separately, allocating lease payments (including any lump-sum upfront payments) between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception date. If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

Under operating leases, lease payments, less any lease incentives payable, are recognized as lease income on a straight-line basis over the lease terms. The initial direct costs incurred from received the operating lease plus to the carrying amount of the underlying asset adopted the same basic of lease income. The Group recognizes the lease payments as expense over the lease terms. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification.

4.11 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes) and include land held for a currently undetermined future use.

Investment properties are measured at cost (including transaction costs) on initial recognition. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. The investment properties are depreciated using the straight-line basis over 5 to 60 years.

Investment properties under construction are stated at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

4.12 Intangible Assets

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over the estimated lives as follows:

- Computer software: 1 to 3 years;
- Trademarks: the estimated useful life or contract term.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal of the assets is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.13 Impairment of non-financial assets

The Group assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the indication of impairment loss recognized in prior years for an asset other than goodwill no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

4.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. If the provisions are measured at the estimated cash flow to settle the obligation, it carrying amounts are those present value of the cash flow.

4.15 Employee Benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employee will receive on retirement for their services with the Group in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate used is determined by using the market yields (at the end of the reporting period) on government bonds denominated in the currency in which the benefits are to be paid. The currency and term of the government bonds are consistent with the currency and estimated term of the obligation.

ii. Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and the amount can be reliably estimated. Any differences between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

4.16 Capital Stock and Treasury Stock

A. Capital stock

Common stock is classified as equity. Incremental costs directly attributable to the issue of new shares or share options are recorded as a deduction in equity.

B. Treasury stock

The Group’s treasury stocks that have not been disposed or retired are stated at cost and shown as a deduction in stockholders’ equity. When treasury stocks are sold, if the selling price is above the book value, the difference is credited to the capital surplus–treasury share transactions; if the selling price is below the book value, the difference is first offset against capital surplus from the same class of treasury share transactions, and the remainder, if any, is then debited to retained earnings. The carrying value of treasury stocks is calculated using the weighted-average approach in accordance with the purpose of repurchase.

Upon retirement, treasury stocks are derecognized against the capital surplus - premium on stocks and capital stock proportionately according to the ratio of shares retired. The carrying value of treasury stocks in excess of the sum of the par value and premium on stocks is first offset against capital surplus from the same class of treasury share transactions, and the remainder, if any, is then debited to retained earnings. The sum of the par value and premium on treasury stocks in excess of the carrying value is credited to capital surplus from the same class of treasury share transactions.

4.17 Income Tax

A. The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity, respectively.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company operate and generate taxable income. The management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. According to Income Tax Act of ROC, an additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the subsequent year when the stockholders approve to distribute retain earnings.

C. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit nor loss, and it does not give rise to equal deductible and taxable temporary differences at the time of transaction. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

D. Deferred income tax assets are recognized only to the extent, unused tax losses and unused tax credits that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

4.18 Revenue Recognition

The Group applies the following steps for revenue recognition:

(a) Identifying the contract;
(b) Identifying performance obligations;
(c) Determine the transaction price;
(d) Allocating the transaction price to performance obligations; and
(e) Recognizing revenue when (or as) a performance obligation is satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is within one year, the Group does not adjust the promised amount of consideration for the effect of a significant financing component.

A. Revenue from sale of goods

The Group sells nonwoven fabric material, bedding, and related products. Sales are recognized when control of the products has been transferred to the customers since the customers obtain the rights to list price, use the products and assure the obligation to resale them as well as to bear the risk of obsolescence. The Group recognizes revenue and accounts receivable on transferring the control of the products. Revenue is presented net of sales return, quantity discounts and sales allowance.

The Group does not recognize revenue on materials delivered to subcontractors because such delivery does not involve a transfer of control.

B. Service revenue

Service revenue is recognized when the services are provided according to the relevant agreements.

4.19 Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to noncurrent assets are recognized as noncurrent liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

4.20 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Except for those qualifying capitalization, all other borrowing costs are recognized as an expense in profit or loss as incurred.

4.21 Share-based payment transactions

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity.

5. CRITICAL ACCOUNTING JUDGMENTS AND MAJOR SOURCES OF ESTIMATION AND ASSUMPTION UNCERTAINTY

The Group incorporates the economic impacts of climate change, related government policies and regulations, inflation, and market interest rate fluctuations into its significant accounting estimates. The Group will continue to review the fundamental assumptions and estimates. If the revision of estimates affects only the current period, they are recognized in the period of revision. If the revision of accounting estimates affects both the current and future periods, they are recognized in both the current period and future periods.

In the preparation of the consolidated financial statements, the critical accounting judgments the Group has made, and the major sources of estimation and assumption uncertainty are described as follows:

5.1 Critical judgments in applying accounting policies

A. Investment property

The Group's properties are mainly held for owner-occupied, and some are held to earn rentals or for capital appreciation. If these portions could be sold separately, which will be disposal of as investment property and property, plant and equipment separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

B. Lease terms

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the periods covered by the option, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within the control of the Group occurs.

5.2 Critical accounting estimation and assumption

A. Estimated impairment of financial assets

The provision for impairment of accounts receivable and financial guarantee contracts is based on assumptions on risk of default and expected loss rates. The Group makes these assumptions and selects inputs for the impairment calculation, based on the Group's historical experience and existing market conditions, as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

B. Realizability of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilized. The Group's management assesses the realizability of deferred tax assets by making critical accounting judgements and significant estimates of expected future revenue growth rate and gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Changes in global economic environment, and laws and regulations might result in material adjustments to deferred tax assets.

C. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value; thus, the Group needs to exercise judgments and estimates the net realizable value of inventory for obsolescence and unmarketable items on balance sheet date. The Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period, and then writes down the cost of inventories to net realizable value. Such an evaluation of inventories is mainly based on the demand for the products within a specified period in the future. Therefore, there might be material changes to the evaluation.

D. Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Group uses judgements and actuarial assumptions to determine related estimates, including discount rates and future salary increase rate at the end of reporting period. Any changes in these assumptions may have a significantly impact on the carrying amount of defined pension obligation.

E. The useful lives of the property, plant and equipment and investment property

The property, plant and equipment and investment property are average amortized using the straight-line method. The Group regularly assesses the useful lives and residual value of the property, plant and equipment and investment property. A significant change in the relevant estimate would be adjusted for that period and the following years.

F. Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Group determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific group of the assets. Changes in economic circumstances or the Group's strategy might result in material impairment of assets in the future.

G. The lessee's incremental borrowing rate

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for the same currency and relevant duration is selected as a reference rate, and the lessee's credit spread adjustments and lease specific adjustments (such as asset type, guarantees, etc.) are also taken into account.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

6.1 CASH AND CASH EQUIVALENTS

Items	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 1,972	$ 1,693
Checking accounts and demand deposits	504,201	664,072
Cash equivalents		
Deposit at call	577,017	723,142
Time deposits	703,562	610,193
Total	$ 1,786,752	$ 1,999,100

(1) The cash and cash equivalents of the Group are not pledged to others.

(2) The Group inward remittance of $8,000 thousand in accordance with the Regulations Governing the Investment of Repatriated Offshore Funds approved by the National Taxation Bureau, MOF, and submitted an investment plan to the MOEA on October 12, 2022. The approval letter was received on November 1, 2022. That amount is only used for the examined investment plan project under the relevant regulations, it should not be used for other purposes. As of December 31, 2023 and 2022, $175,019 thousand and $144,158 thousand were transferred to other current financial assets, respectively. As of December 12, 2022, $76,954 thousand was transferred to other noncurrent financial assets.

(3) Please refer to Note 12 for relevant credit risk management and assessment methods.

6.2 NOTES RECEIVABLE, NET

Items	December 31, 2023	December 31, 2022
Gross carrying amount at amortized cost	$ 16,559	$ 35,055
Less: Loss allowance	-	-
Notes receivable, net	$ 16,559	$ 35,055

(1) The Group has no notes receivable pledged to others.

(2) Please refer to Note 6.3 for the loss allowance for notes receivable.

6.3 ACCOUNTS RECEIVABLE, NET

Items	December 31, 2023	December 31, 2022
Gross carrying amount at amortized cost	$ 279,624	$ 343,161
Less: Loss allowance	(18,690)	(24,400)
Accounts receivable, net	$ 260,934	$ 318,761

(1) The average credit period of sales of goods ranges from 30 to 90 days, which is determined by reference to the credit granting policy based on the counterparties' industrial characteristics, operation scales and profitability.

(2) The Group has no accounts receivable pledged to others.

(3) Please refer to Note 7 for the related party transaction.

(4) The Group applies the simplified approach to providing expected credit losses prescribed under IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses are estimated using an allowance matrix with reference to past default experiences of the debtor, an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

(5) The following table detailed the loss allowance of notes and accounts receivable based on the Group's provision matrix (include related parties):

December 31, 2023

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 247,558	$ (115)	$ 247,443
Past due 1-90 days	29,140	(78)	29,062
Past due 91-180 days	1,214	(442)	772
Past due 181-360 days	594	(397)	197
Past due over 361 days	17,677	(17,658)	19
Total	$ 296,183	$ (18,690)	$ 277,493

December 31, 2022

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 324,011	$ (1,623)	$ 322,388
Past due 1-90 days	41,500	(14,093)	27,407
Past due 91-180 days	4,520	(2,833)	1,687
Past due 181-360 days	4,811	(2,477)	2,334
Past due over 361 days	3,374	(3,374)	-
Total	$ 378,216	$ (24,400)	$ 353,816

(6) Movements of the loss allowances of notes receivable and accounts receivable (including related parties') were as follows:

Items	2023	2022
Balance, January 1	$ 24,400	$ 9,371
Add: Provision for impairment (Reversal)	(4,471)	17,783
Less: Write-offs	(576)	(3,392)
Less: Transfer to disposal groups classified as held for sale	(680)	-
Effect of exchange rate changes	17	638
Balance, December 31	$ 18,690	$ 24,400

The Group did not hold any collaterals or other credit enhancements for these accounts receivable.

(7) Please refer to Note 12 for the relevant credit risk management and assessment methods.

6.4 OTHER RECEIVABLES, NET

Items	December 31, 2023	December 31, 2022
Gross carrying amount at amortized cost	$ 16,682	$ 16,601
Less: Loss allowance	(137)	(137)
Other receivables, net	$ 16,545	$ 16,464

(1) Please refer to Note 7 for the related party transaction.
(2) Movements of the loss allowance for other receivables were as follows:

Items	2023	2022
Balance, January 1	$ 137	$ 170
Less: Reversal of bad debts	-	(34)
Effect of exchange rate changes	-	1
Balance, December 31	$ 137	$ 137

6.5 INVENTORIES AND OPERATING COSTS

Items	December 31, 2023	December 31, 2022
Raw materials	$ 252,240	$ 355,616
Work-in-process	7,123	8,462
Finished goods	117,175	176,093
Inventory in transit	15,593	11,363
Total	$ 392,131	$ 551,534

(1) The cost of inventories recognized as expenses for the period:

Items	2023	2022
Gain on reversal in market value of inventories	$ (9,386)	$ (5,170)
Inventory gain	(20)	(2,455)

Items	2023	2022
Loss on inventory disposed	$ 11,806	$ 16,019
Unallocated production overheads	79,868	40,723
Total	$ 82,268	$ 49,117

(2) The Group has no inventories pledged to others.

6.6 NONCURRENT ASSETS OR DISPOSAL GROUPS CLASSFIED AS HELD FOR SALE

(1) Disposal groups classified as held for sale

The Group has been approved by the board of directors on August 8, 2023 to proceed with the dissolution and liquidation of reinvested companies, Hangzhou Shinih Fiber Products Co., Ltd., Taixin Fiber Products (Suzhou) Co., Ltd., and Shinih (Cambodia) Co., Ltd., after the reinvested companies have completed the outstanding orders, the Group will proceed with the dissolution and liquidation matters. On December 31, 2023, the Group transfer the related assets and liabilities to disposal groups classified as held for sale are as below：

A. Assets of the disposal groups classified as held for sale

Items	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 320,151	$ -
Notes receivable, net	493	-
Accounts receivable, net	1,057	-
Other receivables, net	1,705	-
Prepayments	1,179	-
Other financial assets-current	15,353	-
Property, plant and equipment	40	-
Other noncurrent assets	73	-
Total	$ 340,051	$ -

B. Liabilities related to disposal groups classified as held for sale

Items	December 31, 2023	December 31, 2022
Accounts payable and other payables	$ 13,890	$ -
Current income tax liabilities	905	-
Refundable deposits	68	-

Items	December 31, 2023	December 31, 2022
Total	$ 14,863	$ -

(2) Noncurrent assets classified as held for sale

In November 2022, the Group entered into a contract for the sale of real estate located in Cambodia, with the contract valued at USD 5 million (equivalent to approximately NTD 155,883 thousand). The transfer of ownership was officially registered on January 17, 2023, at which point the Group also received the complete payment. The profit realized from this asset disposal amounted to USD 2,919 thousand (approximately NTD 90,999 thousand), which has been recorded as a gain from the sale of noncurrent assets held for sale.

A. Noncurrent assets classified as held for sale

Items	December 31, 2023	December 31, 2022
Property, plant and equipment	$ -	$ 26,068
Land use right	-	37,845
Total	$ -	$ 63,913

B. Liabilities related to non-current assets classified as held for sale

Items	December 31, 2023	December 31, 2022
Temporary receipts	$ -	$ 92,130
Total	$ -	$ 92,130

6.7 OTHER FINANCIAL ASSETS - CURRENT

Items	December 31, 2023	December 31, 2022
Time deposits with medium and long term	$ 171,842	$ 95,267
Cash in banks for project investment plan	175,019	144,158
Total	$ 346,861	$ 239,425

The Group has no financial assets pledged to others.

6.8 PROPERTY, PLANT AND EQUIPMENT

Items	December 31, 2023	December 31, 2022
Land	$ 525,621	$ 525,621
Land improvements	7,465	6,931
Buildings	715,391	771,469
Machinery	2,141,812	2,058,207
Other equipment	289,210	289,039
Equipment to be inspected and construction in progress	482,478	574,093
Total cost	4,161,977	4,225,360
Less: Accumulated depreciation and impairment	(1,994,619)	(2,039,496)
Total	$ 2,167,358	$ 2,185,864

	Land	Land improvements	Buildings	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
Cost							
Balance, January 1, 2023	$ 525,621	$ 6,931	$ 771,469	$ 2,058,207	$ 289,039	$ 574,093	$ 4,225,360
Additions	-	-	15,134	28,623	8,426	109,212	161,395
Disposals	-	-	-	(84,303)	(7,525)	(681)	(92,509)
Reclassification (Note 1)	-	534	1,689	196,833	8,781	(199,714)	8,123
Transfer to the land expropriation and compensation agreement, shown as a deduction	-	-	(66,479)	(22,375)	(5,160)	-	(94,014)
Transfer to the disposal groups classified as held for sale	-	-	-	(25,069)	(2,053)	-	(27,122)
Effect of exchange rate difference	-	-	(6,422)	(10,104)	(2,298)	(432)	(19,256)
Balance, December 31, 2023	$ 525,621	$ 7,465	$ 715,391	$ 2,141,812	$ 289,210	$ 482,478	$ 4,161,977
Accumulated depreciation and impairment							
Balance, January 1, 2023	$ -	$ 3,190	$ 472,682	$ 1,364,052	$ 199,572	$ -	$ 2,039,496
Depreciation expense	-	1,315	26,772	115,688	15,877	-	159,652
Disposals	-	-	-	(79,500)	(7,241)	-	(86,741)
Transfer to the land expropriation and compensation agreement, shown as a deduction	-	-	(57,713)	(17,106)	(4,369)	-	(79,188)
Transfer to the disposal groups classified as held for sale	-	-	-	(25,069)	(2,013)	-	(27,082)
Effect of exchange rate difference	-	-	(3,635)	(7,052)	(831)	-	(11,518)
Balance, December 31, 2023	$ -	$ 4,505	$ 438,106	$ 1,351,013	$ 200,995	$ -	$ 1,994,619
Cost							
Balance, January 1, 2022	$ 525,621	$ 12,670	$ 777,275	$ 1,825,575	$ 276,011	$ 805,606	$ 4,222,758
Additions	-	-	4,510	66,581	14,163	165,458	250,712

	Land	Land improvements	Buildings	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
Disposals	$ -	$ (5,739)	$ (129)	$ (51,259)	$ (9,762)	$ (41)	$ (66,930)
Reclassification (Note 2)	-	-	9,933	148,937	(8,029)	(401,671)	(250,830)
Transfer to noncurrent asset classified as held for sale	-	-	(38,402)	-	-	-	(38,402)
Effect of exchange rate difference	-	-	18,282	68,373	16,656	4,741	108,052
Balance, December 31, 2022	$ 525,621	$ 6,931	$ 771,469	$ 2,058,207	$ 289,039	$ 574,093	$ 4,225,360
Accumulated depreciation and impairment							
Balance, January 1, 2022	$ -	$ 7,650	$ 487,362	$ 1,343,925	$ 193,934	$ -	$ 2,032,871
Depreciation expense	-	1,279	26,672	112,887	14,967	-	155,805
Impairment loss	-	-	-	49,966	-	-	49,966
Disposals	-	(5,739)	(105)	(45,725)	(7,545)	-	(59,114)
Reclassification (Note 2)	-	-	(39,734)	(155,703)	(13,227)	-	(208,664)
Transfer to noncurrent asset held for sale	-	-	(13,064)	-	-	-	(13,064)
Effect of exchange rate difference	-	-	11,551	58,702	11,443	-	81,696
Balance, December 31, 2022	$ -	$ 3,190	$ 472,682	$ 1,364,052	$ 199,572	$ -	$ 2,039,496

Note 1: Reclassification in 2023 was transferring prepayments for business facilities into PPE in the amount of $8,123.

Note 2: Reclassification in 2022 includes transferring to the land expropriation and compensation agreement as a deduction in the amount of $41,403 thousand, and transferring into investment property in the amount of $763 thousand.

(1) The reconciliations of the current additions and the property, plant and equipment stated in the statement of cash flow are as follows:

Items	2023	2022
Additions to the property, plant and equipment	$ 161,395	$ 250,712
(Increase) in payables to contractor and equipment suppliers	12,720	(3,368)
Payments for acquisition of property, plant and equipment	$ 174,115	$ 247,344

(2) Please refer to Note 6.27 for information on the capitalization of interest.

(3) Please refer to Note 8 for property, plant and equipment pledged by the Group as a guarantee for loans.

(4) Please refer to Note 6.26 for the land expropriation and compensation agreement of Shinih Suzhou.

6.9 LEASE ARRANGEMENT

(1) Right-of-use assets

Items	December 31, 2023	December 31, 2022
Land use right	$ 145,879	$ 152,228
Land	3,540	3,541
Buildings	231,048	228,585
Machinery	36,003	35,700
Total cost	416,470	420,054
Less: Accumulated depreciation and impairment	(209,999)	(164,226)
Total	$ 206,471	$ 255,828

	Land use right	Land	Buildings	Machinery	Total
Cost					
Balance, January 1, 2023	$ 152,228	$ 3,541	$ 228,585	$ 35,700	$ 420,054
Additions	-	-	5,409	-	5,409
Derecognition (Note)	(7,089)	-	(2,546)	-	(9,635)
Effect of exchange rate difference	740	(1)	(400)	303	642
Balance, December 31, 2023	$ 145,879	$ 3,540	$ 231,048	$ 36,003	$ 416,470
Accumulated depreciation and impairment					
Balance, January 1, 2023	$ 8,839	$ 2,404	$ 128,725	$ 24,258	$ 164,226
Depreciation expense	1,863	621	38,668	5,760	46,912
Derecognition (Note)	(1,199)	-	-	-	(1,199)
Effect of exchange rate difference	262	(9)	(408)	215	60
Balance, December 31, 2023	$ 9,765	$ 3,016	$ 166,985	$ 30,233	$ 209,999

	Land use right	Land	Buildings	Machinery	Total
Cost					
Balance, January 1, 2022	$ 194,577	$ 3,192	$ 176,394	$ 33,328	$ 407,491
Additions	-	-	40,713	-	40,713
Derecognition (Note)	(8,027)	-	(4,716)	-	(12,743)
Transfer to noncurrent asset classified as held for sale	(40,162)	-	-	-	(40,162)

	Land use right	Land	Buildings	Machinery	Total
Effect of exchange rate difference	$ 5,840	$ 349	$ 16,194	$ 2,372	$ 24,755
Balance, December 31, 2022	$ 152,228	$ 3,541	$ 228,585	$ 35,700	$ 420,054
Accumulated depreciation and impairment					
Balance, January 1, 2022	$ 9,522	$ 1,615	$ 91,617	$ 17,306	$ 120,060
Depreciation expense	2,997	595	29,804	5,473	38,869
Derecognition (Note)	(963)	-	(2,829)	-	(3,792)
Transfer to noncurrent asset classified as held for sale	(3,378)	-	-	-	(3,378)
Effect of exchange rate difference	661	194	10,133	1,479	12,467
Balance, December 31, 2022	$ 8,839	$ 2,404	$ 128,725	$ 24,258	$ 164,226

Note : The amount includes transfer to expropriation and compensation income reduction items, with the amounts $5,890 thousand and $7,064 thousand in 2023 and 2022 respectively.

(2) Lease liabilities

Items	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 28,331	$ 46,907
Noncurrent	$ 52,670	$ 74,318

Range of discounts rate for lease liabilities is as follow:

Items	December 31, 2023	December 31, 2022
Land	3.25%	3.25%
Buildings	1.40%~6.375%	1.40%~6.375%
Machinery	6.375%	6.375%

Please refer to Note 12 for the maturity analysis of the lease liabilities.

(3) Other lease information

The Company leases the investment properties under operating lease agreements, please refer to Note 6.10 investment property.

The Company elected to apply the recognition exemption to short-term leases and low-value asset leases and, thus, did not recognize right-of-use assets and lease liabilities for these leases in 2023 and 2022. Details for the relevant expense are as follows:

Items	2023	2022
Expenses relating to short-term leases	$ 8,130	$ 5,330
Total cash outflow for leases	$ 56,304	$ 60,964

(4) Please refer to Note 6.26 for the land expropriation and compensation agreement of Shinih Suzhou and Taixin Suzhou.

(5) Material lease-in activities and terms

A. The Group's subsidiaries, sub-subsidiaries in PRC, SHINIH VIETNAM COMPANY LTD. entered into the land use contracts with the local government respectively. The terms of the contract are 20 to 50 years respectively.

B. Hubei Taixin Fiber Products Co., Ltd. obtained the land use right subsidy from the local government, which is classified as long-term deferred revenue and transferred to revenue at its deferred years.

C. The abovementioned companies are entitled the land use rights, income rights and act of disposition for transferring and leasing within the land use terms. They should pay taxes for using lands. The lands are used to build plants, office buildings and employees' dormitories.

D. PT. SHINIH NONWOVENS INDONESIA obtained the land use right in Indonesia in June 2017. The lands are used to build plants, office buildings and employees' dormitories.

E. The Group has no land use rights pledged to others.

6.10 INVESTMENT PROPERTY

Items	December 31, 2023	December 31, 2022
Land	$ 143,069	$ 143,069
Buildings	88,297	88,297
Total cost	231,366	231,366
Less: accumulated depreciation and impairment	(75,446)	(73,869)
Investment property, net	$ 155,920	$ 157,497

	2023		
	Land	Buildings	Total
Cost			
Balance, January 1, 2023	$ 143,069	$ 88,297	$ 231,366
Balance, December 31, 2023	$ 143,069	$ 88,297	$ 231,366
Accumulated depreciation and impairment			
Balance, January 1, 2023	$ -	$ 73,869	$ 73,869
Depreciation expense	-	1,577	1,577
Balance, December 31, 2023	$ -	$ 75,446	$ 75,446

	2022		
	Land	Buildings	Total
Cost			
Balance, January 1, 2022	$ 143,069	$ 87,534	$ 230,603
Additions	-	763	763
Balance, December 31, 2022	$ 143,069	$ 88,297	$ 231,366
Accumulated depreciation and impairment			
Balance, January 1, 2022	$ -	$ 72,102	$ 72,102
Depreciation expense	-	1,767	1,767
Balance, December 31, 2022	$ -	$ 73,869	$ 73,869

(1) Rental revenue and direct operating expenses from the investment property:

Items	2023	2022
Rental revenue from investment properties	$ 28,004	$ 28,303
Direct operating expenses arising from the investment properties that generated rental revenue during the period	$ 3,503	$ 2,869
Total	$ 3,503	$ 2,869

(2) The investment properties held by the Group are not measured at fair value, but only disclosed its fair value information. Its fair value hierarchy is Level 3. The fair values of the Group's investment properties were $864,510 thousand and $824,000 thousand respectively as of December 31, 2023 and 2022. Those fair values were assessed by the

Group's management by reference to the transaction prices of similar properties, but did not be assessed by independent valuer.

(3) The Group will receive the total rent from leasing the investment properties under the operating lease agreement as follows:

Items	December 31, 2023	December 31, 2022
Within 1 year	$ 11,890	$ 24,774
More than 1 year but less than 5 years	14,870	13,169
More than 5 years	4,009	5,751
Total	$ 30,769	$ 43,694

(4) Please refer to Note 8 for investment properties pledged by the Group as a guarantee for loans.

6.11 INTANGIBLE ASSETS

Items	December 31, 2023	December 31, 2022
Trademarks	$ 9,178	$ 9,180
Computer software	4,984	16,229
Other intangible assets – spunbond technology and rights	7,392	7,392
Total costs	21,554	32,801
Less: Accumulated amortization	(13,707)	(24,946)
Total	$ 7,847	$ 7,855

	2023			
Items	Trademarks	Computer software	Spunbond technology and rights	Total
Cost				
Balance, January 1	$ 9,180	$ 16,229	$ 7,392	$ 32,801
Additions	-	1,651	-	1,651
Disposals	-	(12,853)	-	(12,853)
Effect of exchange rate difference	(2)	(43)	-	(45)
Balance, December 31	$ 9,178	$ 4,984	$ 7,392	$ 21,554
Accumulated amortization				
Balance, January 1	$ 9,179	$ 15,767	$ -	$ 24,946
Amortization expense	-	1,658	-	1,658

Items	2023 Trademarks	Computer software	Spunbond technology and rights	Total
Disposals	$ -	$ (12,853)	$ -	$ (12,853)
Effect of exchange rate difference	(1)	(43)	-	(44)
Balance, December 31	$ 9,178	$ 4,529	$ -	$ 13,707

Items	2022 Trademarks	Computer software	Spunbond technology and rights	Total
Cost				
Balance, January 1	$ 8,274	$ 15,000	$ 7,392	$ 30,666
Additions	-	1,044	-	1,044
Effect of exchange rate difference	906	185	-	1,091
Balance, December 31	$ 9,180	$ 16,229	$ 7,392	$ 32,801
Accumulated amortization				
Balance, January 1	$ 8,274	$ 14,212	$ -	$ 22,486
Amortization expense	-	1,385	-	1,385
Effect of exchange rate difference	905	170	-	1,075
Balance, December 31	$ 9,179	$ 15,767	$ -	$ 24,946

Other intangible assets, such as proprietary spunbond technology and the rights associated with it, are assessed to have an indefinite useful life. Consequently, these assets are exempt from amortization and are rigorously tested for impairment on an annual basis, with no evidence of impairment detected to date.

6.12 SHORT-TERM LOANS

The nature of loans	December 31, 2023	December 31, 2022
Unsecured loans	$ 730,000	$ 360,687
Secured loans	90,000	120,000
Total	$ 820,000	$ 480,687
Interest rate range	1.76%~1.95%	1.50%~6.50%

Please refer to Note 8 for the assets pledged by the Group as a guarantee for the abovementioned loans.

6.13 OTHER PAYABLES

Items	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 47,039	$ 41,747
Payable for equipment and construction	27,752	40,472
Compensation payable to employees and directors	7,300	9,640
Taxes payable	5,071	19,256
Payable for economic compensation	-	37,193
Others	95,149	116,241
Total	$ 182,311	$ 264,549

6.14 DEFERRED REVENUE

Items	2023	2022
Revenue on relocating compensation	$ -	$ 103,621
Less: Economic compensation to employees	-	(37,551)
Expenses of moving and installing assets	-	(2,743)
Subtotal	-	(40,294)
Total	$ -	$ 63,327

Please refer to Note 6.26 for the land expropriation and compensation agreement of Shinih Suzhou.

6.15 LONG-TERM LOANS

The nature of loans	December 31, 2023	December 31, 2022
Secured loans	$ 973,750	$ 1,140,000
Less: current portion	(178,333)	(166,250)
Total	$ 795,417	$ 973,750
Interest rate range	1.90%~2.37%	1.65%~2.02%
Year to maturity	2025~2027	2024~2027

NOTE 1:The method of repayment for the Group's long-term loans is paid in instalments to Chang Hwa Bank and Bank of Shanghai. The principal amount will be paid in full to KGI Bank at the maturity date.

NOTE 2:Please refer to Note 8 for the assets pledged by the Group as a guarantee for the abovementioned loans.

6.16 RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

A. The employ pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company and TAIWAN KUREHA CO., LTD. have made monthly contributions equal to 6% of each employee's salary to employees' pension accounts.

B. The foreign subsidiaries also make contribution in accordance with the rate specified in the plans in the local regulations, which is a defined contribution plan.

C. The Group's recognized expenses in the consolidated statement of comprehensive income were $17,168 thousand and $19,278 thousand under the contributions rates specified in the plans for the years ended December 31, 2023 and 2022, respectively.

(2) Defined benefit plans

A. The Company and TAIWAN KUREHA CO., LTD. have defined benefit plans in accordance with the Labor Standards Law of the R.O.C. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. Those companies have made monthly contributions equal to 2% of each employee's salary to employees' pension accounts, which submit to the Labor Retirement Reserve Supervisory Committee to the retirement fund deposited in Bank of Taiwan under the name of the committee. The Fund is managed by the Government's designated authorities and the Group have no right to influence their investment strategies.

B. Amounts recognized in the consolidated balance sheet are as follows:

Items	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 24,229	$ 24,730
Fair value of plan assets	(17,389)	(17,499)
Net defined benefit liability	$ 6,840	$ 7,231

As of December 31, 2023 and 2022, the defined benefit plans included $950 thousand and $296 thousand of the prepaid pension cost of TAIWAN KUREHA CO., LTD., which is classified under the other noncurrent assets.

C. Movements in net defined benefit liability are as follows:

Items	2023 Present value of defined benefit obligations	2023 Fair value of plan assets	2023 Net defined benefit liability
Balance, January 1	$ 24,730	$ (17,499)	$ 7,231
Service costs			
Current service cost	595	-	595
Past service cost	(1,202)	-	(1,202)
Interest expense (revenue)	315	(217)	98
Remeasurements of employee benefit	231	-	231
Amounts recognized in profit and loss	(61)	(217)	(278)
Remeasurements			
Return on plan assets (Amounts included in interest income or expense are excluded)	-	(166)	(166)
Impact of changes in demographic assumptions	789	-	789
Effect of changes in financial assumptions	(644)	-	(644)
Experience adjustments	79	-	79
Amounts recognized in other comprehensive income (losses)	224	(166)	58
Pension fund contributions	-	(115)	(115)
Paid pension	(721)	608	(113)
Effect of exchange rate difference	57	-	57
Balance, December 31	$ 24,229	$ (17,389)	$ 6,840

Items	2022 Present value of defined benefit obligations	2022 Fair value of plan assets	2022 Net defined benefit liability
Balance, January 1	$ 28,502	$ (18,440)	$ 10,062
Service costs			
Current service cost	570	-	570

Items	2022 Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Interest expense (revenue)	$ 231	$ (120)	$ 111
Amounts recognized in profit and loss	801	(120)	681
Remeasurements			
Return on plan assets (Amounts included in interest income or expense are excluded)	-	(1,376)	(1,376)
Effect of changes in financial assumptions	(1,139)	-	(1,139)
Experience adjustments	515	-	515
Amounts recognized in other comprehensive income (losses)	(624)	(1,376)	(2,000)
Pension fund contributions	-	(1,321)	(1,321)
Paid pension	(4,391)	3,758	(633)
Effect of exchange rate difference	442	-	442
Balance, December 31	$ 24,730	$ (17,499)	$ 7,231

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

Items	2023	2022
Operating costs	$ (198)	$ 516
Administrative expenses	(80)	165
Total	$ (278)	$ 681

D. Information about fair value of plan assets are as follows:

Items	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 17,389	$ 17,499

E. Because of the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

(a) Investment risk

The pension funds are invested in equity and debt securities, bank deposits, etc.

at the discretion of the Bureau of Labor Funds of Ministry of Labor, or under the mandated management. However, under the Labor Standards Law, the rate of return on plan assets shall not be less than the average interest rate on a two-year time deposit published by the local banks.

(b) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

(c) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

F. The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions on measurement date were as follows:

Items	December 31, 2023	December 31, 2022
Discount rate	1.20%、1.24% and 2.70%-3.05%	1.30%、1.35% and 0.74%-1.5%
Expected salary increase rate	1.50% and 4.00%	1.50% and 4.00%

Reasonably possible changes to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Items	December 31, 2023	December 31, 2022
Discount rate		
Increase 0.5%	$ (1,106)	$ (1,176)
Decrease 0.5%	1,161	1,234
Expected salary increase rate		
Increase 0.5%	1,108	1,162
Decrease 0.5%	(1,038)	(1,076)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

G. The Group expects to make a contribution to its defined benefit pension plans next year is $104 thousand. The weighted average maturity periods of the defined benefit obligation are 8.7 and 11.6 years.

6.17 COMMON STOCKS

(1) As of December 31, 2023, the Company's authorized capital was $2,000,000 thousand, consisting of 200,000 thousand shares, and the total amount of paid-in capital was $1,091,071 thousand with a nominal value of $10 each. The number of shares issued by the Company has been fully paid-up.

(2) The reconciliation of the number and amount of the Company's common stocks outstanding is as follows:

(Unit: Shares in thousand)

Items	2023	2022
On January 1	105,908	106,170
Purchase of treasury stock	-	(567)
Treasury stock sold to employees	-	305
On December 31	105,908	105,908

6.18 CAPITAL SURPLUS

Items	December 31, 2023	December 31, 2022
Additional paid-in capital arising from bond conversion	$ 213,926	$ 213,926
Recognition of changes in ownership interest in subsidiaries	4	4
Others	16,844	16,844
Total	$ 230,774	$ 230,774

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including additional paid-in capital from issuance of common stocks and additional paid-in capital arising from bond conversion) and from donations can be used to offset deficit or may be distributed as stock dividends or cash dividends. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's capital surplus. Capital surplus can't be used to offset deficit unless legal capital reserve is insufficient. The capital surplus from long-term investments and stock options may not be used for any purpose.

6.19 RETAINED EARNINGS AND DIVIDEND POLICY

(1) According to the Company's Article of Incorporation, the current year's earnings, if any, shall first pay taxes, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings until the accumulated legal capital reserve equals the Company's paid-in capital then reversal or set aside a special capital reserve in accordance with relevant laws or as requested by the authorities in charge. Any balance left over shall be allocated with unappropriated earnings submitted by the Board of Directors to be approved at a shareholders' meeting to distribute dividend to shareholders.

The distribution of dividends and bonuses to shareholders, or the disbursement of the full amount or a portion of the statutory capital reserve designated for retained earnings as mandated by Article 241, Paragraph 1 of the Company Act, shall be executed in monetary form. The Board of Directors holds the authority to enact such distributions pursuant to a decree established under Article 240 of the Company Act, with an obligation to report on these actions at the subsequent shareholders' meeting.

Cash dividends distribute the allocation of the abovementioned dividends as a priority, but it depends on the proportion of cash dividends on the Company's capital expenditure plan. Among these, the aggregate proportion of capitalization of retained earnings and capital surplus transferred to common stock should not exceed 90% of the total dividends for the year.

(2) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal capital reserve shall not be used for any other purpose. The use of legal capital reserve for the issuance of new stocks or cash to shareholders in proportion to their share ownership is limited to the portion in excess of 25% of the Company's paid-in capital.

(3) Special capital reserve

Items	December 31, 2023	December 31, 2022
Provisions on initial application of IFRSs	$ 106,123	$ 106,123
Provisions on debited other equity	-	42,838
Total	$ 106,123	$ 148,961

A. In accordance with the regulation, the Company shall set aside special capital reserve from the debit balance on other equity item at the end of the year before distributing earnings. When debit balance on other equity is reversed subsequently, the reversed amount could be included in the distributable earnings.

B. The amounts set aside by the Company as $106,123 thousand of special capital reserve on the initial application of IFRSs in accordance with rule NO.1010012865 issued by the FSC, dated April 6, 2012, are unrealized revaluation reserve transferred to retained earnings, shall be reversed proportionately to retained earnings when the relevant assets are used, disposed of or reclassified subsequently.

(4) The appropriations of 2022 and 2021 earnings have been approved by shareholders' meetings held on March 24, 2023 and March 25, 2022, respectively. The appropriations of earnings and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
Items	2022	2021	2022	2021
Legal capital reserve	$ 22,597	$ 51,321		
Special capital reserve	(42,838)	33,032		
Cash dividends	111,204	105,603	$ 1.05	$ 1.00
Total	$ 90,963	$ 189,956		

The abovementioned legal capital reserve and special capital reserve have been approved by shareholder's meeting held on June 16, 2023 and June 17, 2022, respectively.

(5) The Company's appropriation of earnings for 2023 had been approved in the Board meeting held on March 11, 2024. The appropriations of earnings were as follows:

Items	Appropriation of Earnings	Dividends Per Share (NT$)
Legal capital reserve	$ 15,772	
Cash dividends	63,545	$ 0.6
Total	$ 79,317	

The abovementioned legal capital reserve is to be presented for approval in the shareholders' meeting held on June 14, 2024.

(6) Information on the resolution of the Board and shareholder meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

6.20 OTHER EQUITY

A. Exchange differences on translation of foreign operations

Items	December 31, 2023	December 31, 2022
Balance, January 1	$ 44,643	$ (42,838)

Items	December 31, 2023	December 31, 2022
Exchange differences on translation of foreign operations	$ (31,493)	$ 109,351
Income taxes arising from exchange differences on translation of foreign operations	6,299	(21,870)
Balance, December 31	$ 19,449	$ 44,643

The exchange differences arising from the translation of the net assets of foreign operations from their functional currency to the presentation currency of the Company are directly recognized in other comprehensive income and accumulated to the exchange differences arising from exchange differences on translation of foreign operations. Those previous exchange differences will be reclassified to profit or loss when the disposal of foreign operations.

6.21 TREASURY STOCK

A. Reasons for share repurchase and movements in the number of the treasury stock are as follows:

(Unit: Shares in thousand)

	2023		
Reasons for share repurchase	Balance, January 1	Increase (decrease) during the year	Balance, December 31
To be reissued to employees	3,199	-	3,199

	2022		
Reasons for share repurchase	Balance, January 1	Increase (decrease) during the year	Balance, December 31
To be reissued to employees	2,937	262	3,199

a. The Company held the Board meeting on November 9, 2021, when the board approved repurchasing the Company's common stock and transfer to employees. It is estimated to repurchase 5,000 shares. The repurchase terms are from November 10, 2021 to January 9, 2022, with the value ranging from $15.65 to $33.05. There are 3,504 thousand treasury stocks during the repurchase period; the average price is $23.41 for each for $82,028 thousand. As of December 31, 2023, the Company has transferred 305 thousand shares; the remaining repurchase amount is $74,888 thousand.

b. The Company transferred treasury stock to employees under the Regulation of Transferring the Repurchased Treasury Stock approved by the board on August 9, 2022. The transfer price was the actual repurchased price of $23.41. The subscription benchmark date was August 9, 2022, and the price per share was $20.50 on the subscription benchmark date. The fair value of the subscription per share was $0.

As of December 31, 2023, there were 305 thousand shares for transferred shares with fully paid. All of them are transferred.

c. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued, outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
d. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and are not entitled to dividends before they are reissued.
e. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should be reissued to the employees within three years from the repurchase date and shares not reissued within the five-year period are to be retired.

6.22 NON-CONTROLLING INTEREST

Items	2023	2022
Balance, January 1	$ 74,217	$ 66,292
Share attributable to non-controlling interests:		
Net income	18,852	16,692
Remeasurements of defined benefit plans	(156)	34
Exchange differences on translation of foreign operations	418	3,952
Cash dividends paid by subsidiaries	(13,225)	(12,753)
Balance, December 31	$ 80,106	$ 74,217

6.23 OPERATING REVENUE

Items	2023	2022
Revenue from contracts with customers		
Sale of goods	$ 2,045,048	$ 2,562,965
Processing revenue	41,854	38,985
Subtotal	2,086,902	2,601,950
Rent revenue		
Rental revenue from property	28,004	28,303
Total	$ 2,114,906	$ 2,630,253

A. Description of customer contract

The customer agreement delineates the revenue generated from the sales of nonwoven and insulation materials. The primary clients encompasses purchasers of the produced apparel and industrial materials. Transactions are conducted at prices specified within the contractual agreement. The financial consideration received is categorized as short-term receivables and is consequently valued at the invoiced amount.

B. Disaggregation of revenue from contracts with customers

The Group classifies revenue from the following categories of main products:

	2023				
Items	China	U.S.	Taiwan	Southeast Asia	Total
Major products/ Service line					
Nonwoven material	$ 555,070	$ 589,412	$ 348,381	$ 527,412	$ 2,020,275
others	30,507	-	10,593	25,527	66,627
Total	$ 585,577	$ 589,412	$ 358,974	$ 552,939	$ 2,086,902
Timing of revenue recognition					
Performance obligation satisfied at a point in time	$ 585,577	$ 589,412	$ 358,974	$ 552,939	$ 2,086,902

	2022				
Items	China	U.S.	Taiwan	Southeast Asia	Total
Major products/ Service line					
Nonwoven material	$ 673,213	$ 696,610	$ 510,042	$ 664,232	$ 2,544,097
others	18,152	-	18,868	20,833	57,853
Total	$ 691,365	$ 696,610	$ 528,910	$ 685,065	$ 2,601,950
Timing of revenue recognition					
Performance obligation satisfied at a point in time	$ 691,365	$ 696,610	$ 528,910	$ 685,065	$ 2,601,950

C. Contract balances

The Group recognizes contract liabilities related to the revenue from contracts with customers as follows:

Items	December 31, 2023	December 31, 2022
Contract liabilities - current	$ 14,429	$ 26,387

6.24 PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

By nature	2023 Cost of sales	2023 Operating expense	2023 Total	2022 Cost of sales	2022 Operating expense	2022 Total
Employee benefit expenses						
Salary	$ 285,562	$ 205,445	$ 491,007	$ 318,275	$ 202,073	$ 520,348
Insurance	25,751	17,914	43,665	26,524	18,001	44,525
Pension	8,529	8,361	16,890	11,256	8,703	19,959
Others	16,308	11,424	27,732	14,658	13,025	27,683
Depreciation	137,883	70,258	208,141	136,721	59,720	196,441
Amortization	67	2,041	2,108	16	1,846	1,862
Total	$ 474,100	$ 315,443	$ 789,543	$ 507,450	$ 303,368	$ 810,818

A. The profit before tax represents the amount before the Company deducts the employee's and directors' remuneration for the year. The Company is stipulated to distribute compensation of employees at the rate between 1% to 5% of profit before tax, and directors' remuneration at the rate not higher than 3% of profit before tax. If there is a change in the proposed amount after the annual financial statement are authorized for issue, the difference is recorded as a change in accounting estimate and adjusted in the next fiscal year. The number of employee stock compensation shares is calculated based on the closing price of the day before the board resolution date of the following year and taking into account the effects of ex-rights and ex-dividend.

B. The appropriations of employees' compensation and directors' remuneration for 2023 and 2022 have been approved by the board of directors held on March 11, 2024, and March 24, 2023, respectively. The amount of approved and recognized in financial statement is shown as follows:

	2023 Employees' compensation	2023 Directors'' remuneration	2022 Employees' compensation	2022 Directors' remuneration
Amounts approved	$ 5,200	$ 2,100	$ 7,230	$ 2,410
Amounts recognized in financial statement	5,200	2,100	7,230	2,410
Difference	$ -	$ -	$ -	$ -

The aforementioned employees' compensation is distributed in cash.

C. Information regarding employees' compensation and directors' remuneration of the Company is available from the Market Observation Post System on the website of the TWSE.

6.25 OTHER INCOME

Items	2023		2022	
Research and development subsidies	$	11,384	$	5,722
Others		22,683		32,672
Total	$	34,067	$	38,394

6.26 OTHER GAINS AND LOSSES

Items	2023		2022	
Gain on the land expropriation and compensation	$	282,284	$	326,361
Gain on disposal of property, plant and equipment		8,321		1,787
Gain on disposal of noncurrent assets classified as held for sale		90,999		-
Net foreign exchange gain (loss)		2,895		29,781
Impairment loss		-		(49,966)
Others		(4,207)		(1,778)
Total	$	380,292	$	306,185

(1)Gain on the land expropriation and compensation

2023 Shinih Suzhou

On November 24, 2022, Shinih Fiber Products (Suzhou) Co., Ltd. (Shinih Suzhou) entered into a land expropriation and compensation agreement with the Loudong Subdistrict Office of the Taicang Municipal People's Government. The agreement stipulates compensation for the acquisition of land and buildings, including fixtures and fittings, as well as for the cessation of operations and business activities. Additionally, the agreement provides for a government incentive, compensation, and a bonus related to the expropriation contract. The principal terms of the contract are outlined below:

a. The total compensation amounts to CNY78,414 thousand.

b. Taicang Municipal People’s Government shall pay CNY 23,500 thousand of the total compensation within 10 working days once the agreement is signed. CNY 23,500 thousand of the total compensation shall be paid within 10 working days when the certificates and relevant de-registration documents for the expropriated building of Shinih Suzhou are submitted to Taicang Municipal People’s Government. Shinih Suzhou transferred the whole assets to Taicang Municipal People's Government, and the government shall pay CNY 31,414 thousand within 10 working days once signing an asset delivery list.

c. Loss from disposal of the immovable items, termination of labor contracts and related relocation expenses are recognized as a deduction of deferred income on occurrence. Deferred net income shall be recognized in profit or loss upon the transfer of the immovable items.

d. The agreement also states that Shinih Suzhou should transfer the land, buildings and ground attachments to Taicang Municipal People’s Government before February 25, 2023. If Shinih Suzhou fails to transfer the land as agreed, it should pay the penalties at 0.05% of the total compensation daily to Taicang Municipal People’s Government from the due date. Besides, Taicang Municipal People's Government is entitled to take some compulsory actions for the power and water outages. When Shinih Suzhou fully completed the obligations of the agreement, if Taicang Municipal People’s Government fails to pay the compensation as agreed, it should pay the damages at 0.05% of the total compensation daily to Shinih Suzhou.

2022 Taixin Suzhou

On November 9, 2022, Taixin Fiber Products (Suzhou) Co., Ltd. (Taixin Suzhou) entered into a compensation and land expropriation agreement with the Loudong Subdistrict Office of the Taicang Municipal People's Government. The agreement provides for compensation related to the acquisition of land and structures, including all associated fixtures and fittings. It also covers compensation for the suspension of manufacturing and commercial operations, a government incentive, compensation, and a bonus associated with the expropriation agreement. The principal terms of the agreement are outlined below:

a. The total compensation amounts to CNY 87,423 thousand.

b. Taicang Municipal People’s Government shall pay CNY 26,000 thousand of the total compensation within 10 working days once the agreement is signed. CNY 26,000 thousand of the total compensation shall be paid within 10 working days when the certificates and relevant de-registration documents for the expropriated building of Taixin Suzhou are submitted to Taicang Municipal People’s Government. Taixin Suzhou transferred the whole assets to Taicang Municipal People's Government, and the government shall pay CNY 35,423 thousand within 10 working days once signing an asset delivery list.

c. Loss from disposal of the immovable items, termination of labor contracts and related relocation expenses are recognized as a deduction of deferred income on occurrence. Deferred net income shall be recognized in profit or loss upon the transfer of the immovable items.

d. The agreement also states that Taixin Suzhou should transfer the land, buildings and ground attachments to Taicang Municipal People’s Government before

November 30, 2022. If Taixin Suzhou fails to transfer the land as agreed, it should pay the penalties at 0.05% of the total compensation daily to Taicang Municipal People’s Government from the due date. Besides, Taicang Municipal People's Government is entitled to take some compulsory actions for the power and water outages. When Taixin Suzhou fully completed the obligations of the agreement, if Taicang Municipal People’s Government fails to pay the compensation as agreed, it should pay the damages at 0.05% of the total compensation daily to Taixin Suzhou.

Shinih Suzhou and Taixin Suzhou have completed the relevant expropriation and compensation agreements, and the net gain on relocating compensation is recognized as follows:

Items	2023	2022
Revenue on the land expropriation and compensation	$ 346,800	$ 388,005
Less: Relocation expenses		
(Loss) on disposal of property, plant and equipment	(14,183)	(26,574)
Loss on disposal of right-of-use asset, net	(5,890)	(7,064)
Expenses on moving and installing assets	(6,779)	(7,396)
Economic compensation to employee	(37,664)	(20,610)
Total	(64,516)	(61,644)
Gain on expropriation compensation	$ 282,284	$ 326,361

6.27 FINANCIAL COSTS

Items	2023	2022
Interest expense		
Bank loans	$ 34,412	$ 25,577
Interest on lease liabilities	4,989	5,159
Less: Capitalized amount for qualified assets	(10,267)	(6,991)
Financial costs	$ 29,134	$ 23,745
Interest capitalization rates	1.99%	1.43%

6.28 INCOME TAX

A. Income tax expense

(1) Components of income tax expense

Items	2023	2022
Current tax expense recognized in the current year	$ 134,283	$ 193,024
Adjustments on prior years	(3,439)	5,136
Tax on undistributed surplus earnings	6,750	16,163
The origination and reversal of temporary differences	57,617	(11,097)
Income tax expense recognized in profit or loss	$ 195,211	$ 203,226

(2) Income tax expenses (benefits) recognized in other comprehensive income

Items	2023	2022
Exchange differences on translation of foreign operations	$ (6,299)	$ 21,870
Remeasurements of defined benefit plans	(12)	400
Total	$ (6,311)	$ 22,270

B. Reconciliation between accounting profit and income tax expense recognized in profit or loss:

Items	2023	2022
Income before tax	$ 371,677	$ 444,318
Income tax expense at the statutory rate	$ 176,578	$ 235,210
Tax effect of adjusting items:		
Deductible items in determining taxable income	(42,295)	(42,186)
Income tax adjustments on prior years	(3,439)	5,136
Income tax on unappropriated earnings	6,750	16,163
Deferred income tax expense (benefit) related to temporary differences	57,617	(11,097)
Income tax expense recognized in profit or loss	$ 195,211	$ 203,226

The income tax rate for the Group subject to the ROC, Income Tax Act is 20%, and the tax rate for unappropriated earnings is 5%. The income tax rate for the subsidiaries in mainland China 25%. For entities located in other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

C. Income tax assets and liabilities:

Items	December 31, 2023	December 31, 2022
Income tax assets	$ 18,887	$ 18,429
Income tax liabilities	$ 23,965	$ 198,405

D. Deferred tax assets or liabilities arising from temporary differences, operating loss carryforward：

	2023				
Items	January 1	Recognized in (losses) gains	Recognized in other comprehensive income	Effect of exchange rate difference	December 31
Deferred income tax assets					
Operating loss carryforward	$ 14,757	$ (10,343)	$ -	$ 65	$ 4,479
Temporary differences					
Allowance for bad debts	4,882	(4,613)	-	67	336
Unrealized loss on Inventories	7,787	(1,389)	-	14	6,412
Investment income and unrealized profits/ losses of subsidiaries	11,986	10,371	-	-	22,357
Unrealized profits/ losses of subsidiaries	830	(293)	-	-	537
Net defined benefit liability	3,367	(64)	12	17	3,332
Exchange differences on translation of foreign operations	9,810	-	6,299	-	16,109
Unrealized profit on debt conversion	40,851	(132)	-	-	40,719
Impairment loss	9,683	1,064	-	-	10,747
Others	1,476	1,030	-	(15)	2,491
Subtotal	105,429	(4,369)	6,311	148	107,519
Deferred tax liabilities					
Temporary differences					
Investment income and unrealized profits/ losses of subsidiaries	(11,844)	(50,556)	-	-	(62,400)
Property, plant and equipment taxable differences	(20,866)	(3,225)	-	52	(24,039)
Foreign exchange gain or loss	(4,542)	533	-	-	(4,009)

	2023				
Items	January 1	Recognized in (losses) gains	Recognized in other comprehensive income	Effect of exchange rate difference	December 31
Provision on land value increment tax	$ (65,107)	$ -	$ -	$ -	$ (65,107)
Subtotal	(102,359)	(53,248)	-	52	(155,555)
Total	$ 3,070	$ (57,617)	$ 6,311	$ 200	$ (48,036)

	2022				
Items	January 1	Recognized in (losses) gains	Recognized in other comprehensive income	Effect of exchange rate difference	December 31
Deferred income tax assets					
Operating loss carryforward	$ 9,972	$ 4,476	$ -	$ 309	$ 14,757
Temporary differences					
Allowance for bad debts	240	4,498	-	144	4,882
Unrealized loss on Inventories	8,691	(1,139)	-	235	7,787
Investment income and unrealized profits/ losses of subsidiaries	-	11,986	-	-	11,986
Unrealized accrued expenses	1,532	(1,651)	-	119	-
Unrealized profits/ losses of subsidiaries	1,310	(480)	-	-	830
Net defined benefit liability	3,730	(98)	(400)	135	3,367
Exchange differences on translation of foreign operations	31,680	-	(21,870)	-	9,810
Unrealized profit on debt conversion	40,984	(133)	-	-	40,851
Impairment loss	-	9,683	-	-	9,683
Others	3,311	(1,859)	-	24	1,476
Subtotal	101,450	25,283	(22,270)	966	105,429
Deferred tax liabilities					
Temporary differences					
Investment income and unrealized profits/ losses of subsidiaries	(10,842)	(1,002)	-	-	(11,844)
Property, plant and equipment taxable differences	(10,792)	(8,642)	-	(1,432)	(20,866)
Foreign exchange gain or loss	-	(4,542)	-	-	(4,542)
Provision on land value increment tax	(65,107)	-	-	-	(65,107)

Items	2022 January 1	Recognized in (losses) gains	Recognized in other comprehensive income	Effect of exchange rate difference	December 31
Subtotal	$ (86,741)	$ (14,186)	$ -	$ (1,432)	$ (102,359)
Total	$ 14,709	$ 11,097	$ (22,270)	$ (466)	$ 3,070

E. The income tax returns of the Company and TAIWAN KUREHA CO., LTD. have examined through 2021 by tax authority.

6.29 OTHER COMPREHENSIVE INCOME

Items	2023 Before tax	Income tax (expense)	After tax
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	$ (58)	$ 12	$ (46)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(31,075)	6,299	(24,776)
Recognized in other comprehensive income	$ (31,133)	$ 6,311	$ (24,822)

Items	2022 Before tax	Income tax (expense) benefit	After tax
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	$ 2,000	$ (400)	$ 1,600
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	113,303	(21,870)	91,433
Recognized in other comprehensive income	$ 115,303	$ (22,270)	$ 93,033

6.30 EARNINGS PER SHARE

Items	2023	2022
Basic earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 157,614	$ 224,400
Weighted average shares outstanding (in thousands)	105,908	105,731
Basic earnings per share (after tax) (in dollars)	$ 1.49	$ 2.12
Diluted earnings per share		
Net income attributable to ordinary shareholders of the Company	$ 157,614	$ 224,400
Net income for calculating diluted earnings per share	$ 157,614	$ 224,400
Weighted average shares outstanding (in thousands)	105,908	105,731
Effect of dilutive potential common shares		
Employees' compensation (in thousands)	338	523
Weighted average shares outstanding for diluted earnings per share (in thousands)	106,246	106,254
Diluted earnings per share (after tax) (in dollars)	$ 1.48	$ 2.11

If the Group is able to settle the employee compensation by cash or stocks, the employee compensation should be assumed to be settled in stocks and the resulting potential shares increased should be included in the weighted average shares outstanding in calculation of diluted earnings per share, if the shares have a dilutive effect. Such dilutive effect of the potential shares needs to be included in the calculation of diluted earnings per share until employee compensation is approved in the following year.

7. RELATED PARTY TRANSACTIONS

A. Names of related parties and relationship

Names of related parties	Relationship with the Group
KUREHA LIMITED-JAPAN(KUREHA)	Investors with significant influence over the Group
CHIEN JUI JUI	Chairman of the Company
CHIEN JUNG TSAI	Other related parties
CHIEN YU HSIA	Other related parties

Names of related parties	Relationship with the Group
CHIEN SHENG HUNG	Other related parties
CHIEN TIEN SHENG MEMORIAL FOUNDATION	Substantive related party
Sunnex Industrial Co., Ltd. (Sunnex)	Substantive related party
Shinih (Thailand) Co., Ltd.	Substantive related party
Suntex Textile Vietnam Co., Ltd (Suntex)	Substantive related party
Sunfiber (Vietnam) Co., Ltd.	Substantive related party
Corona MS LLC	Substantive related party
Big Jung Inc.	Substantive related party
Tien Sheng Corp.	Substantive related party
Jianbao Health Product Technical Co., Ltd.	Substantive related party
SUN JUNG UNITED CO., LTD.	Substantive related party
KAI SHEN CONSTRUCTION CO., LTD.	Substantive related party

Other related parties (hereinafter the same) represent individuals with relatives within the second degree of kinship of the Company's chairman.

B. Significant transactions between related parties (Excepts as disclosed in other notes)

(a) Operating revenue

Categories/Names of related parties	2023	2022
Investors with significant influence over the subsidiaries	$ 50,716	$ 48,611
Substantive related party	11,152	3,668
Total	$ 61,868	$ 52,279

Sales prices between related parties were determined and negotiated referring to the relevant market prices. The payment terms were ranging from approximately 30 to 90 days for advance receipts.

(b) Purchases

Categories/Names of related parties	2023	2022
Investors with significant influence over the Group	$ 18,512	$ 28,342

Categories/Names of related parties	2023	2022
Substantive related party	6,756	13,056
Total	$ 25,268	$ 41,398

Purchase prices between related parties were determined and negotiated referring to the relevant market prices. The payment terms were ranging from approximately 30 to 90 days for advance receipts.

(c) Lease arrangements

(a) Lease liabilities

Categories/Names of related parties	December 31, 2023	December 31, 2022
Substantive related party	$ 27,386	$ 52,759
Other related parties	8,884	9,455
Total	$ 36,270	$ 62,214

(b) Interest payable

Categories/Names of related parties	December 31, 2023	December 31, 2022
Substantive related party	$ 100	$ 49
Total	$ 100	$ 49

(c) Interest expense

Categories/Names of related parties	2023	2022
Substantive related party	$ 2,252	$ 3,684
Other related parties	130	137
Total	$ 2,382	$ 3,821

(d) Accounts receivable

Categories/Names of related parties	December 31, 2023	December 31, 2022
Investors with significant influence over the Group	$ 8,184	$ 6,582
Substantive related party	7,420	1,505
Total	$ 15,604	$ 8,087

(e) Other receivables

Categories/Names of related parties	December 31, 2023	December 31, 2022
Substantive related party	$ 884	$ 4,980
Total	$ 884	$ 4,980

(f) Accounts Payable

Categories/Names of related parties	December 31, 2023	December 31, 2022
Substantive related party	$ 2,415	$ 5,235
Investors with significant influence over the Group	589	121
Total	$ 3,004	$ 5,356

(g) Other payables

Categories/Names of related parties	December 31, 2023	December 31, 2022
Other related parties-CHIEN JUNG TSAI	$ 25,570	$ 25,570
Investors with significant influence over the Group	3,437	3,647
Chairman of the Company	5,000	5,000
Other related parties	2,500	2,500
Substantive related party	311	601
Total	$ 36,818	$ 37,318

The other payables above included TAIWAN KUREHA CO., LTD. obtaining interest-free and security-free funds from related parties. The financing is as follows:

Maximum balance

Categories/Names of related parties	December 31, 2023	December 31, 2022
Other related parties-CHIEN JUNG TSAI	$ 25,570	$ 25,570
Chairman of the Company	5,000	5,000
Other related parties	2,500	2,500
Total	$ 33,070	$ 33,070

Closing balance

Categories/Names of related parties	December 31, 2023	December 31, 2022
Other related parties-CHIEN JUNG TSAI	$ 25,570	$ 25,570
Chairman of the Company	5,000	5,000
Other related parties	2,500	2,500
Total	$ 33,070	$ 33,070

(h) Advance sales receipts

Categories/Names of related parties	December 31, 2023	December 31, 2022
Substantive related party	$ 168	$ 2,957
Total	$ 168	$ 2,957

(i) Property transaction- Purchase of property, plant and equipment

Categories/Names of related parties	2023	2022
Investors with significant influence over the Group	$ 3,187	$ -
Total	$ 3,187	$ -

(j) Property transaction-disposals of property, plant and equipment

Related Party	2023		2022	
	Proceeds from disposal	Gain on disposal	Proceeds from disposal	Gain (loss) on disposal
Substantive related party	$ -	$ -	$ 1,949	$ 393
Other related parties	-	-	-	-
Total	$ -	$ -	$ 1,949	$ 393

(k) Other related party transactions

Items	Related Party	2023	2022
Rental revenue	Substantive related party	$ 1,714	$ 1,714
Deduction of operating costs	Substantive related party	$ -	$ 227

Items	Related Party	2023	2022
Production overheads	Substantive related party	$ -	$ 1,014
Selling expenses	Investors with significant influence over the Subsidiaries	$ 617	$ 660
Administrative expenses	Investors with significant influence over the Subsidiaries	$ 3,143	$ 3,214
Other income-Commission income	Substantive related party	$ 2,604	$ 402
Other income	Substantive related party	$ 174	$ 90

C. Compensation of key management personnel

Items	2023	2022
Salaries and other short-term employee benefits	$ 27,669	$ 22,134
Post- employment benefits	809	612
Total	$ 28,478	$ 22,746

8. PLEDGED ASSETS

The following assets have already provided various performance guarantees and collateral for long-term and short-term loans:

Items	December 31, 2023	December 31, 2022
Property, plant and equipment, net	$ 639,092	$ 634,906
Investment property, net	119,059	147,403
Total	$ 758,151	$ 782,309

9. SIGNIFICANT CONTINGENCY LIABILITIES AND UNRECOGNIZED COMMITMENTS

A. The letters of credit opened with the banks but not yet used are as follows:

Items	December 31, 2023	December 31, 2022
Letters of credit	$ 4,740	$ 10,900

B. Material capital expenditures contracted but not yet incurred are as follows：

Items	December 31, 2023	December 31, 2022
Property, plant, and equipment	$ 18,031	$ 66,974

C. Contingency：None.

10. SIGNIFICANT DISASTERS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS:

12.1 Capital risk management

The Group requires an adequate capital structure to enable the expansion and enhancement of its plant and equipment. Therefore, the Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources and operating plan to fund its working capital needs, capital asset purchases, development expenditure, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

12.2 Financial risks on financial instruments

A. Financial risk management policies

The Group's activities expose it to a variety of financial risks. These financial risks included market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management strategy focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on its financial performance.

The Group’s material financial activities are approved by the Board of Directors (and Audit Committee) in accordance with relevant requirements and internal control mechanism, which requires the Group to comply with its financial operating policies and procedures that provide guiding principles for the overall financial risk management and accountability and separation of duties.

B. Significant financial risks and degrees of financial risks

(a) **Market risk**

i. Foreign exchange risk

(i) The Group’s sales purchase and borrowing activities denominated in foreign currencies are exposed to foreign currency risk. The Group’s functional currencies are New Taiwan dollars, CNY, US dollars, and THB. The main foreign currencies of those thousand transactions are US dollars and CNY, etc. To protect against reductions in value and the volatility of future cash flows results from changes in foreign exchange rates, the Group might hedge its foreign exchange risk exposure by using foreign currency loans and derivatives, such as forward exchange agreements. The usage of derivative financial instruments can assist the Group to reduce but not completely eliminate the influence of changes in foreign exchange rates.

(ii) Foreign currency risk and sensitivity analysis

	December 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial Assets			
Monetary Items			
USD	$ 19,022	30.705	$ 584,071
JPY	27,092	0.2172	5,884
CNY	12,850	4.3352	55,706
Financial Liabilities			
Monetary Items			
USD	5,675	30.705	174,276
JPY	14,476	0.2172	3,144
CNY	52	4.3352	225

	December 31, 2022		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial Assets			
Monetary Items			
USD	$ 19,738	30.71	$ 606,159
JPY	51,210	0.2324	11,901
CNY	11,949	4.4094	52,689
Financial Liabilities			
Monetary Items			
USD	4,041	30.71	124,114
JPY	14,416	0.2324	3,350
CNY	623	4.4094	2,745

The Group is mainly exposed to US dollar and CNY. The sensitivity analysis rate for the Group is 1% increase and decrease in NTD against the relevant foreign currencies 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. An increase/ decrease in profit before tax would be resulted where the NTD strengthens/ weakens 1% against the relevant currencies with all other variables held constant in the amounts of $4,680 thousand and $5,405 thousand for the years ended December 31, 2023 and 2022, respectively.

ii. Price risk

The Group does not hold the financial assets in the form of equity securities measured at fair value through profit or loss and has no other price risk items.

iii. Interest rate risk

The carrying amounts of interest – bearing financial instruments held by the Group as of the reporting date are as follows:

Items	Carrying Amounts December 31, 2023	Carrying Amounts December 31, 2022
Fair value interest rate risk		
Financial assets	$ 1,934,731	$ 926,573
Financial liabilities	(260,000)	(250,000)
Net	$ 1,674,731	$ 676,573
Cash flow interest rate risk		
Financial assets	$ 423,836	$ 1,264,927
Financial liabilities	(1,533,750)	(1,370,687)
Net	$ (1,109,914)	$ (105,760)

Sensitivity analysis for instruments with fair value interest rate risk

The Group does not classify any fixed-rate instruments as financial assets measured at fair value through profit and loss. In addition, the Group does not designate derivatives as hedge instruments under the fair value hedge accounting model. Therefore, the change in interest rate on the reporting date has no effect on profit or loss and other comprehensive income.

Sensitivity analysis for instruments with cash flow interest rate risk

The effective interest rates for the Group's floating interest rate financial instruments are susceptible to the market interest rate. If the market interest rate increases/decreases 0.25%, the profit before tax will increase/decrease $2,775 thousand and $264 thousand for the years ended December 31, 2023 and 2022, respectively.

(b) **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. The Group is exposed to credit risk from operation activities, primarily trade receivable, and from investing activities, primarily bank deposits and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

Business - related credit risk

In order to maintain the credit quality of the trade receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed taking into account relevant factors that may affects a customer's paying ability, such as the customer's financial condition and historical transaction records, internal and external credit rating and economic conditions.

Financial credit risk

The Group's exposure to financial credit risk pertaining to bank deposits and other financial instruments was evaluated and monitored by the Group's treasury function. The Group only transacts with creditworthy counterparties and banks; therefore, no significant financial credit risk was identified.

i. Credit concentration risk

The credit concentration risk of accounts receivable is relatively immaterial because the Group has not concentrated on the minority as target customers.

ii. Measurement of expected credit loss

(i) Accounts receivable: The Group applies simplified approach to accounts receivable. Please refer to Note 6.3 for more information.

(ii) The criteria used to determine whether credit risk has increased significantly: The Group considered credit factors and reviewed relevant information associated with debtors to assess whether credit risks on financial instruments have increased significantly since initial recognition.

iii. Holding collateral and other credit enhancement to hedge against credit risk of financial assets: None.

iv. Credit risk of financial assets measured at amortized cost

Please refer to Note 6.3 for information on the Group's credit exposures associated with accounts receivable. Other financial instruments amortized at cost, such as cash and cash equivalents and other receivables, have low credit loss. Therefore, the loss allowance is assessed based on the 12-month expected credit loss. After the assessment, the Group determines that no material impairment occurred.

(c) Liquidity risk

i. Liquidity risk management

The objective of the Group's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Group has sufficient financial flexibility for its operations.

For the years ended December 31, 2023 and 2022, the Group’s unused financing facilities were $2,046,000 thousand and $2,025,000 thousand, respectively.

ii. Maturity analysis for financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities:

Non-derivative financial liabilities	December 31, 2023 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 822,084	$ -	$ -	$ 822,084	$ 820,000
Notes payable	34,330	-	-	34,330	34,330
Accounts payable	77,929	-	-	77,929	77,929
Other payables	154,550	-	-	154,550	154,550
Lease liabilities	31,532	51,434	6,300	89,266	81,001
Long-term loan (include current portion)	198,367	820,120	-	1,018,487	973,750
Guarantee deposits received	-	4,517	-	4,517	4,517
Total	$ 1,318,792	$ 876,071	$ 6,300	$ 2,201,163	$ 2,146,077

Non-derivative financial liabilities	December 31, 2022 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 483,369	$ -	$ -	$ 483,369	$ 480,687
Notes payable	30,127	-	-	30,127	30,127
Accounts payable	86,853	-	-	86,853	86,853
Other payables	239,986	-	-	239,986	239,986
Lease liabilities	51,836	68,512	13,971	134,319	121,225
Long-term loan (include current portion)	185,351	988,079	-	1,173,430	1,140,000

Non-derivative financial liabilities	December 31, 2022 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Guarantee deposits received	$ -	$ 5,171	$ -	$ 5,171	$ 5,171
Total	$ 1,077,522	$ 1,061,762	$ 13,971	$ 2,153,255	$ 2,104,049

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

12.3 Categories of financial instruments

Items	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost (Note 1)	$ 2,440,704	$ 2,696,264
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	2,065,076	1,982,824

Note 1:The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2:The balances included financial liabilities measured at amortized cost, which comprise short-term loan, notes payable, accounts payable, other payables, long-term loan and guarantee deposits received.

12.4 Fair value information of financial instruments

A. Definition of fair value measurements are grouped into Level 1 to 3 as follows:

Level 1: Relevant inputs are quoted prices in active markets for identical assets or liabilities that the entity can access on the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs that used to measure fair value to the extent when relevant observable inputs are not available.

B. Financial instruments that are not measured at fair value

The fair value of the Group's financial instruments not measured at fair value including cash and cash equivalents, accounts receivable, other financial assets, refundable deposits, short-term loan, accounts payables, long-term loan and other financial liabilities approximate their fair value.

C. Fair value of financial instruments that are measured at fair value: None.

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The Group measures the fair values of its financial instruments with an active market using their quoted prices in the active market.

(b) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.

(c) Fair value of other financial assets and financial liabilities (except for aforementioned) are determined in accordance with generally accepted pricing model based on the discounted cash flow analysis.

E. Transfer between Level 1 and Level 2 of the fair value hierarchy: None.

F. Changes in level 3 instruments: None.

13. SUPPLEMENTARY DISCLOSURES

13.1 Significant transactions information (before inter-company eliminations):

A. Financings provided to others: Please see Table 1 attached.

B. Endorsement and guarantee provided to others: Please see Table 2 attached;

C. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures at the end of the period): None.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: None.

E. Acquisition of individual real estate properties at costs of at least $300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at prices of at least $300 million or 20% of the paid-in capital: Please see Table 3 attached.

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please see Table 4 attached.

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Please see Table 5 attached.

I. Information on the derivative instrument transactions: None.

J. The business relationship between the parent and the subsidiaries and significant transaction between then: Please see Table 6 attached.

13.2 Information on investees (before inter-company eliminations): Please see Table 7 attached.

13.3 Information on investment in Mainland China (before inter-company eliminations)

(1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 8 attached.

(2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Table 6 attached.

13.4 Information of major shareholder (Names, number of shares and ownership of shareholders whose equity interest is greater than 5%): Please see Table 9 attached.

14. SEGMENT INFORMATION

14.1 General information

The Group's management has identified the reportable segment under the reporting information used for making decisions adopted by the chief operating decision maker. The Group has provided the chief operating decision maker the information on resource allocation and assessment of segment performance, focusing on the financial information by geographic plants.

14.2 Measurement basis

Management monitors the operation results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements. Furthermore, the information of assets and liabilities do not report to chief operating decision maker for operation decision making, segment assets and liabilities are not disclosed. The accounting policies for reportable segments are the same as Group's accounting policies described in Note 4.

14.3 Segment information

Please refer to Table 10 for the reportable segment information provided to the chief operating officer.

14.4 Reconciliation for segment income (loss)

The segment revenue and segment income (loss) reported to the chief operating decision maker is measured in a manner consistent with that in the consolidated statements of comprehensive income.

14.5 Information on product and service

Items	2023	2022
Nonwoven material department	$ 2,020,275	$ 2,544,097

Items	2023	2022
Others	$ 94,631	$ 86,156
Total	$ 2,114,906	$ 2,630,253

14.6 Information on geographic area

The information on the revenue and noncurrent assets of the Group on the geographic area for the years ended December 31, 2023 and 2022 were as follows:

	Sales from external customers		Noncurrent assets	
Areas	2023	2022	2023	2022
China	$ 585,577	$ 691,365	$ 429,751	$ 485,268
Taiwan	386,978	557,213	1,715,287	1,705,405
America	589,412	696,610	118,274	132,579
Southeast Asia	552,939	685,065	283,503	314,267
Total	$ 2,114,906	$ 2,630,253	$ 2,546,815	$ 2,637,519

14.7 Major customer information

For the years ended December 31, 2023 and 2022, the Group had no customers accounting for more than 10% of its consolidated operating revenue.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

No.	Financing Company	Counterparty	Financial Statement Account	Related party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 5)	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)
													Item	Value		
1	SHINIH HOLDING CO. ,LTD.	SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	Other receivables	Yes	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	2. 5%	2	-	Operating capital	-	-	-	NTD 2,321,876 (USD 75,619)	NTD 4,643,752 (USD 151,238)
		TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 32,514 (CNY 7,500)	NTD 32,514 (CNY 7,500)	NTD 32,514 (CNY 7,500)	2. 5%	2	-	Operating capital	-	-	-		
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 15,353 (USD 500)	NTD 15,353 (USD 500)	NTD 15,353 (USD 500)	2. 5%	2	-	Operating capital	-	-	-		
			Other receivables	Yes	NTD 46,058 (USD 1,500)	NTD 46,058 (USD 1,500)	NTD 46,058 (USD 1,500)	3. 5%	2	-	Operating capital	-	-	-		
		SHINIH (CAMBODIA) CO. ,LTD.	Other receivables	Yes	NTD 1,878 (USD 61)	-	-	-	2	-	Operating capital	-	-	-		
		SHINIH VIETNAM COMPANY LTD.	Other receivables	Yes	NTD 122,820 (USD 4,000)	NTD 92,115 (USD 3,000)	NTD 92,115 (USD 3,000)	5%	2	-	Operating capital	-	-	-		
		AMERICAN FURNITURE ALLIANCE INC.	Other receivables	Yes	NTD 30,705 (USD 1,000)	-	-	-	2	-	Operating capital	-	-	-	NTD 696,563 (USD 22,686)	NTD 928,750 (USD 30,248)
		PT. SHINIH NONWOVENS INDONESIA	Other receivables	Yes	NTD 30,705 (USD 1,000)	NTD 15,353 (USD 500)	NTD 15,353 (USD 500)	5%	2	-	Operating capital	-	-	-		
2	SUNBURST INTERNATIONAL LTD.	SHINIH (CAMBODIA) CO. ,LTD.	Other receivables	Yes	NTD 9,921 (USD 323)	-	-	-	1	-	Operating capital	-	-	-	NTD 23,154	NTD 46,309
3	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 17,341 (CNY 4,000)	NTD 17,341 (CNY 4,000)	NTD 17,341 (CNY 4,000)	3%	2	-	Operating capital	-	-	-	NTD 423,987 (CNY 97,801)	NTD 847,974 (CNY 195,602)
		KUNSHAN SHINIH TRADING CO., LTD.	Other receivables	Yes	NTD 8,670 (CNY 2,000)	NTD 4,335 (CNY 1,000)	NTD 4,335 (CNY 1,000)	3%	2	-	Operating capital	-	-	-		

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

No.	Financing Company	Counterparty	Financial Statement Account	Related party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 5)	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)
													Item	Value		
3	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 50,721 (CNY 11,700)	NTD 43,352 (CNY 10,000)	NTD 43,352 (CNY 10,000)	3%	2	-	Operating capital	-	-	-	NTD 423,987 (CNY 97,801)	NTD 847,974 (CNY 195,602)
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	3%	2	-	Operating capital	-	-	-		
4	AMERICAN NONWOVEN INC.	VFT INC.	Other receivables	Yes	NTD 76,763 (USD 2,500)	NTD 76,763 (USD 2,500)	NTD 43,950 (USD 1,431)	4%	2	-	Operating capital	-	-	-	NTD 304,310 (USD 9,911)	NTD 608,620 (USD 19,822)
		AMERICAN FURNITURE ALLIANCE INC.	Other receivables	Yes	NTD 55,269 (USD 1,800)	NTD 55,269 (USD 1,800)	NTD 55,269 (USD 1,800)	4%	2	-	Operating capital	-	-	-	NTD 91,293 (USD 2,973)	NTD 121,724 (USD 3,964)
5	AMERICAN OUTDOOR LIVING INC.	SHINIH USA INC.	Other receivables	Yes	NTD 24,564 (USD 800)	NTD 24,564 (USD 800)	NTD 9,874 (USD 322)	4%	2	-	Operating capital	-	-	-	NTD 135,963 (USD 4,428)	NTD 271,926 (USD 8,856)
		WORLD FURNITURE GROUP	Other receivables	Yes	NTD 3,071 (USD 100)	-	-	4%	2	-	Operating capital	-	-	-		
		S INTERNATIONAL INC.	Other receivables	Yes	NTD 12,282 (USD 400)	NTD 12,282 (USD 400)	-	4%	2	-	Operating capital	-	-	-		
		AMERICAN FURNITURE ALLIANCE INC.	Other receivables	Yes	NTD 30,705 (USD 1,000)	NTD 30,705 (USD 1,000)	NTD 18,423 (USD 600)	4%	2	-	Operating capital	-	-	-	NTD 40,789 (USD 1,328)	NTD 54,385 (USD 1,771)
6	MS NONWOVEN INC.	VFT INC.	Other receivables	Yes	NTD 19,958 (USD 650)	NTD 19,958 (USD 650)	NTD 16,888 (USD 550)	3. 5%	2	-	Operating capital	-	-	-	NTD 29,805 (USD 971)	NTD 59,610 (USD 1,941)
7	SHINIH FIBER PRODUCTS (DONG GUAN) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 52,022 (CNY 12,000)	NTD 52,022 (CNY 12,000)	NTD 52,022 (CNY 12,000)	3%	2	-	Operating capital	-	-	-	NTD 68,491 (CNY 15,799)	NTD 136,983 (CNY 31,598)
8	SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 28,179 (CNY 6,500)	NTD 28,179 (CNY 6,500)	NTD 28,179 (CNY 6,500)	3%	2	-	Operating capital	-	-	-	NTD 68,136 (CNY 15,717)	NTD 136,272 (CNY 31,433)
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 6,503 (CNY 1,500)	NTD 6,503 (CNY 1,500)	NTD 6,503 (CNY 1,500)	3%	2	-	Operating capital	-	-	-		

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

No.	Financing Company	Counterparty	Financial Statement Account	Related party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 5)	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)
													Item	Value		
9	TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD.	HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	3%	2	-	Operating capital	-	-	-	NTD 256,671 (CNY 59,206)	NTD 513,343 (CNY 118,413)
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	NTD 10,838 (CNY 2,500)	3%	2	-	Operating capital	-	-	-		
10	TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 36,849 (CNY 8,500)	NTD 36,849 (CNY 8,500)	NTD 36,849 (CNY 8,500)	3%	2	-	Operating capital	-	-	-	NTD 64,098 (CNY 14,785)	NTD 128,196 (CNY 29,571)
11	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Other receivables	Yes	NTD 184,246 (CNY 42,500)	NTD 184,246 (CNY 42,500)	NTD 184,246 (CNY 42,500)	3%	2	-	Operating capital	-	-	-	NTD 238,272 (CNY 54,962)	NTD 476,544 (CNY 109,924)

Note 1：The numbers filled in for the financing company represent the following：
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2：Nature for Financing as follows：
(1) Business transactions.
(2) The need for short-term financing.

Note 3：The financing limits for each foreign companies directly and indirectly held by the Company is 100% of the net value of the lending company, and the rest is 30% of the net value of the lending company.

Note 4：The total financing limits for foreign companies directly and indirectly held by the Company is 200% of the net value of the lending company, and the rest is 40% of the net value of the lending company.

Note 5：All the transactions had been eliminated when preparing consolidated financial statements.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS / GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 2

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

NO.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
○	The Company	VFT INC.	2	NTD 1,716,550	NTD 184,230 (USD 6,000)	NTD 92,115 (USD 3,000)	-	-					
○	The Company	SHINIH HOLDING CO., LTD.	2		NTD 829,035 (USD 27,000)	NTD 675,510 (USD 22,000)	-	-					
○	The Company	AMERICAN OUTDOOR LIVING INC.	3		NTD 184,230 (USD 6,000)	NTD 92,115 (USD 3,000)	-	-	28.99%	NTD 3,433,101	Y	N	N
○	The Company	TAIWAN KUREHA CO., LTD.	2		NTD 170,000 NTD 15,353 (USD 500)	NTD 120,000 NTD 15,353 (USD 500)	NTD 30,000 -	-					

Note 1：The Company is '○'.

Note 2：'2' The subsidiary invested directly by the Company.

'3' The sub-subsidiary invested directly by the Company.

Note 3：The limits on endorsement to a single enterprise：50% of equity attributable to shareholders of the parent.

Note 4：The maximum limits for endorsement/guarantee：100% of equity attributable to shareholders of the parent.

Note 5：The balance and amount referred to in the table above, except for the amount actually drawn, refers to the endorsement/guarantee limits or amount for others that occurred on the date of occurrence (the date of the Board resolution, the date of signing the transaction, the date of payment or any other date sufficient to determine the transaction party and the transaction amount, whichever is earlier).

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 3

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Disposed of by	Types of Property	Date of Occurrence	Date of Acquisition	Carrying Amount	Transaction Amount (Note 2)	Status of Collection	Gain (loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Basis or Reference Used in Setting the Price	Other Commitments
SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	Property, plant, and right-of-use assets	November 24, 2022	Note 1	CNY 2,857	CNY 78,414	Note 2	Note 2	Loudong Subdistrict Office of Taicang Municipal People's Government	NIL	To cooperate with the local government's urban planning division	Note 3	Note 2

Note 1：SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD. obtained the land use rights and built factories in succession in 1993.

Note 2：Transaction amount included the compensations for collecting the immovable items such as the land use rights, buildings, and equipment, and cessation of production and business, termination of labor contracts and related relocation expenses. Please refer to Note 6.26 for the information.

Note 3：The land expropriation compensation and appraisal report from the local government.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 4

Amounts in Thousands of New Taiwan Dollars

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
AMERICAN OUTDOOR LIVING INC.	AMERICAN NONWOVEN INC.	Please refer to Note 4 of consolidated financial statements	Sales	(NTD 133,166)	(67%)	As prescribed by the agreement	—	—	—	—	Note

Note：All the transactions had been eliminated when preparing the consolidated financial statements.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVEALES FROM RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2023

TABLE 5

Amounts in Thousands of New Taiwan Dollars

Creditor	Counterparty	Relationship	Ending Balance (Note)	Turnover Rate	Overdue Receivables		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Please refer to Note 4 of consolidated financial statements	Other receivables NTD 184,348	-	-	-	-	-

Note 1：All the transactions had been eliminated when preparing the consolidated financial statements.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	SHINIH ENTERPRISE CO., LTD.	TAIWAN KUREHA CO., LTD.	1	Sales revenue	$ 4,572	Note 3	-
		TAIWAN KUREHA CO., LTD.	1	Rental revenue	3,600	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	4	Sales revenue	6,003	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	4	Other revenue	9,941	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	4	Commission revenue	532	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	1	Commission revenue	3,376	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	1	Other revenue	12,444	Note 3	1%
		PT. SHINIH NONWOVENS INDONESIA	4	Other revenue	2,567	Note 3	-
		AMERICAN OUTDOOR LIVING INC.	4	Other revenue	3,758	Note 3	-
1	TAIWAN KUREHA CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	3	Sales revenue	2,210	Note 3	-
2	SHINIH HOLDING COMPANY LTD.	HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	6	Interest revenue	2,026	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	3	Interest revenue	5,283	Note 3	
		PT. SHINIH NONWOVENS INDONESIA	6	Interest revenue	889	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
2	SHINIH HOLDING COMPANY LTD.	TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	6	Interest revenue	$ 829	Note 3	-
3	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	6	Sales revenue	1,812	Note 3	-
		TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	6	Sales revenue	624	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	6	Other revenue	7,215	Note 3	
4	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Interest revenue	5,316	Note 3	-
5	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	8	Sales revenue	8,365	Note 3	
		QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	8	Interest revenue	1,331	Note 3	
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	8	Interest revenue	500	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	7	Sales revenue	791	Note 3	-
6	SHINIH FIBER PRODUCTS (DONG GUAN) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Rental revenue	19,541	Note 3	1%
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Interest revenue	1,311	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
7	SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	8	Rental revenue	$ 6,613	Note 3	-
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Interest revenue	825	Note 3	-
8	TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	8	Sales revenue	2,038	Note 3	-
		TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD.	8	Sales revenue	1,727	Note 3	-
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Interest revenue	1,079	Note 3	-
9	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	8	Sales revenue	45,821	Note 3	2%
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	8	Rental revenue	2,948	Note 3	-
10	AMERICAN OUTDOOR LIVING INC.	VFT INC.	7	Sales revenue	64,800	Note 3	3%
		AMERICAN NONWOVEN INC.	8	Sales revenue	133,166	Note 3	6%
		AMERICAN FURNITURE ALLIANCE INC.	8	Interest revenue	566	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
11	WORLD FURNITURE GROUP	AMERICAN FURNITURE ALLIANCE INC.	8	Other revenue	$ 1,871	Note 3	-
		AMERICAN OUTDOOR LIVING INC.	8	Other revenue	3,741	Note 3	-
		S INTERNATIONAL INC.	8	Other revenue	2,619	Note 3	-
		AMERICAN NONWOVEN INC.	8	Other revenue	25,627	Note 3	1%
		VFT INC.	7	Other revenue	11,785	Note 3	1%
		MS NONWOVEN INC.	8	Other revenue	748	Note 3	-
12	VFT INC.	AMERICAN NONWOVEN INC.	6	Sales revenue	15,155	Note 3	1%
		AMERICAN NONWOVEN INC.	6	Other revenue	9,353	Note 3	-
13	AMERICAN NONWOVEN INC.	VFT INC.	7	Sales revenue	8,638	Note 3	-
		VFT INC.	7	Interest revenue	2,426	Note 3	-
		AMERICAN FURNITURE ALLIANCE INC.	8	Interest revenue	2,184	Note 3	-
		S INTERNATIONAL INC.	8	Sales revenue	516	Note 3	-
14	SHINIH VIETNAM COMPANY LTD.	SHINIH ENTERPRISE CO., LTD.	2	Sales revenue	2,481	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	6	Sales revenue	5,020	Note 3	-
		PT. SHINIH NONWOVENS INDONESIA	6	Sales revenue	1,468	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
14	SHINIH VIETNAM COMPANY LTD.	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	6	Sales revenue	$ 3,450	Note 3	-
15	S INTERNATIONAL INC.	SHINIH VIETNAM COMPANY LTD.	7	Other revenue	6,222	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	8	Other revenue	4,970	Note 3	-
16	MS NONWOVEN INC.	VFT INC.	7	Interest revenue	668	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	SHINIH ENTERPRISE CO., LTD.	TAIWAN KUREHA CO., LTD.	1	Accounts receivable	$ 1,275	Note 3	-
		TAIWAN KUREHA CO., LTD.	1	Other receivables	532	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	1	Other receivables	6,796	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	4	Other receivables	2,959	Note 3	-
		AMERICAN OUTDOOR LIVING INC.	4	Other receivables	2,290	Note 3	-
		QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	4	Other receivables	1,315	Note 3	-
		PT. SHINIH NONWOVENS INDONESIA	4	Other receivables	1,139	Note 3	-
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	1	Other receivables	1,877	Note 3	-
1	SHINIH HOLDING COMPANY LTD.	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	6	Other receivables	1,434	Note 3	-
		SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	6	Other receivables	23,611	Note 3	-
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	6	Other receivables	72,067	Note 3	1%
		PT. SHINIH NONWOVENS INDONESIA	6	Other receivables	15,575	Note 3	-
		SHINIH VIETNAM COMPANY LTD.	3	Other receivables	61,801	Note 3	1%

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets
1	SHINIH HOLDING COMPANY LTD.	SHINIH USA INC.	3	Other receivables	$ 2,323	Note 3	-
		SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	6	Other receivables	11,708	Note 3	-
		TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	6	Other receivables	35,125	Note 3	1%
2	SUNBURST INTERNAL LTD.	SHINIH VIETNAM COMPANY LTD.	3	Other receivables	9,045	Note 3	-
3	TAIWAN KUREHA CO., LTD.	SHINIH ENTERPRISE CO., LTD.	2	Other receivables	836	Note 3	-
		DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	3	Accounts receivable	622	Note 3	-
4	HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	184,348	Note 3	3%
5	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	10,870	Note 3	-
		KUNSHAN SHINIH TRADING CO., LTD.	8	Other receivables	4,335	Note 3	-
		QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	8	Other receivables	43,569	Note 3	1%
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	8	Other receivables	17,341	Note 3	-
6	TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	10,838	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6 Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets
6	TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD.	HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	8	Other receivables	$ 10,838	Note 3	-
7	TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	36,849	Note 3	1%
8	SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	28,179	Note 3	-
		HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	8	Other receivables	6,503	Note 3	-
		TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	8	Other receivables	2,087	Note 3	-
9	SHINIH FIBER PRODUCTS (DONG GUAN) CO., LTD.	DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	7	Other receivables	57,315	Note 3	1%
10	QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	8	Accounts receivable	8,663	Note 3	-
11	MS NONWOVEN INC.	VFT INC.	7	Other receivables	16,888	Note 3	-
		AMERICAN NONWOVEN INC.	8	Other receivables	3,272	Note 3	-
12	S INTERNATIONAL INC.	SHINIH ENTERPRISE CO., LTD.	5	Other receivables	1,847	Note 3	-
13	AMERICAN OUTDOOR LIVING INC.	VFT INC.	7	Accounts receivable	15,090	Note 3	-
		SHINIH USA INC.	7	Other receivables	8,263	Note 3	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount (Note 4)	Terms	Percentage of Consolidated Net Revenue or Total Assets
13	AMERICAN OUTDOOR LIVING INC.	AMERICAN FURNITURE ALLIANCE INC.	8	Other receivables	$ 18,423	Note 3	-
14	AMERICAN NONWOVEN INC.	S INTERNATIONAL INC.	8	Accounts receivable	508	Note 3	-
		AMERICAN FURNITURE ALLIANCE INC.	8	Other receivables	55,269	Note 3	1%
		VFT INC.	7	Other receivables	44,115	Note 3	1%
		VFT INC.	7	Notes receivable	5,764	Note 3	-
15	WORLD FURNITURE GROUP	SHINIH USA INC.	7	Other receivables	921	Note 3	-
		VFT INC.	7	Other receivables	7,738	Note 3	-
16	AMERICAN FURNITURE ALLIANCE INC.	SHINIH USA INC.	7	Other receivables	6,769	Note 3	-
17	SHINIH VIETNAM COMPANY LTD.	SHINIH ENTERPRISE CO., LTD.	2	Accounts receivable	1,687	Note 3	-

(Continued)

Note 1: The parent company and subsidiaries are coded as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationships between transaction companies and counterparties are classified into the following three categories as listed below:

‘1’ represents parent company to subsidiary.

‘2’ represents subsidiary to parent company.

‘3’ represents subsidiary to subsidiary.

‘4’ represents parent company to sub-subsidiary.

‘5’ represents sub-subsidiary to parent company.

‘6’ represents subsidiary to sub-subsidiary.

‘7’ represents sub-subsidiary to subsidiary.

‘8’ represents sub-subsidiary to sub-subsidiary.

Note 3: Sale price with related parties were determined and negotiated referring to related market price.

Note 4: All the transactions had been eliminated when preparing the consolidated financial statements.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2023

TABLE 7

Amounts in Thousands of New Taiwan Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
The Company	TAIWAN KUREHA CO., LTD.	Note 1	The manufacture, processing and sale of nonwoven fabric material, carpets, tapestries, conveyor belts and air filters	NTD 54,800	NTD 54,800	55,000	84.62%	NTD 34,349	NTD 8,223	NTD 6,749	Note 19, 20
	SHINIH HOLDING CO.,LTD.	Note 2	Securities trading and investment	USD 6,700	USD 6,700	10,000,000	100%	NTD2,321,865	NTD 284,842	NTD 284,814	Note 19, 20
	SUNBURST INTERNATIONAL LTD.	Note 3	Operating textile, polyester cotton and other import and export trade and reinvestment business	USD 50	USD 50	50,000	100%	NTD 14,328	NTD 101	NTD 2,095	Note 19, 20
	VFT INC.	Note 4	Nonwoven fabric material manufacturing, processing and trading	USD 1,800	USD 1,800	100	100%	NTD 289,529	NTD 19,595	NTD 20,450	Note 19, 20
	KUREHA (THAILAND) CO.,LTD.	Note 5	The manufacture, processing and trading of blankets and air filters	USD 1,018	USD 1,018	37,500	50%	NTD 82,374	NTD 34,449	NTD 17,224	Note 20

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2023

TABLE 7

Amounts in Thousands of New Taiwan Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
SHINIH ENTERPRISE CO., LTD.	SHINIH VIETNAM COMPANY LTD.	Note 6	Nonwoven fabric material manufacturing, processing and trading	USD 2,000	USD 2,000	-	100%	NTD 216,331	NTD 39,206	NTD 39,054	Note 19, 20
	SHINIH USA INC.	Note 7	Securities trading and investment	USD 1,100	USD 1,100	1,100,000	100%	NTD 66,006	NTD 17,048	NTD 17,740	Note 19, 20
	INTERBOND CO., LTD.	Note 8	Nonwoven fabric material manufacturing, processing and trading	NTD 2,000	NTD 2,000	200,000	100%	NTD 1,206	NTD (118)	NTD (118)	Note 20
SHINIH HOLDING CO.,LTD.	SHINIH (CAMBODIA) CO.,TLD	Note 9	Nonwoven fabric material and other manufacturing and sales	USD 1,500	USD 1,500	-	100%	USD 1,166	USD 2,171	Note 17	Note 20
	PT.SHINIH NONWOVENS INDONESIA	Note 10	Nonwoven fabric material and other manufacturing and sales	USD 6,435	USD 6,435	-	99%	USD 4,918	USD (55)	Note 17	Note 20

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

DECEMBER 31, 2023

TABLE 7

Amounts in Thousands of New Taiwan Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
SHINIH USA INC.	AMERICAN OUTDOOR LIVING INC.	Note 11	Nonwoven fabric material manufacturing, processing and trading	USD 1,000	USD 1,000	-	100%	USD 4,428	USD 326	Note 17	Note 20
	WORLD FURNITURE GROUP	Note 12	Investment business	USD 400	USD 400	-	100%	USD (1,028)	USD 240	Note 17	Note 20
WORLD FURNITURE GROUP	AMERICAN FURNITURE ALLIANCE INC.	Note 13	Nonwoven fabric material manufacturing, processing and trading	USD 400	USD 400	-	80%	USD (1,308)	USD 61	Note 17	Note 20
	S INTERNATION INC.	Note 14	General merchandise trade	USD 100	USD 100	-	100%	USD 67	USD (31)	Note 17	Note 20
VFT INC.	MS NONWOVEN INC.	Note 15	Nonwoven fabric material manufacturing, processing and trading	USD 7,428	USD 7,428	-	100%	USD 1,139	USD (80)	Note 17	Note 20
	AMERICAN NONWOVEN INC.	Note 16	Nonwoven fabric material manufacturing, processing and trading	USD 100	USD 100	-	100%	USD 9,911	USD 446	Note 17	Note 20

(Continued)

Note 1: No. 2-23, Tuku, Shuixiu Vil., Yanshui Dist., Tainan City 73743, Taiwan (R.O.C.)
Note 2: OFFSHORE CHANBERS P.O.BOX 217.APIA WESTERN SAMOA
Note 3: P.O.BOX 957,OFFSHORE INCOPORATIONS CENTRE ROAD TOWN,TORTOLA,BRITISH VIRGIN ISLANDS
Note 4: 1040 S.Vail AVE. Montebello,CA
Note 5: 525 Moo 4 Bangpoo Industral Estate, Sukhumvit RD., Praksa, Muang District, Samutrpakarn 10280 Thailand
Note 6: B3-3 Cu Chi Northwest Industrial Zone,Cu Chi District, HCMC,Vietnam
Note 7: 1040 S VAIL AVENUE MONTEBELLO,CA 90640 LOS ANGELES COUNTY CALIFORNIA
Note 8: 5F.-1, No. 266, Sec. 1, Wenhua 2nd Rd., Linkou Dist., New Taipei City 244022 , Taiwan (R.O.C.)
Note 9: Phnom Penh Special Economic Zone (Sangkat Kantouk, Sangkat Phleung Chhes Rotes, Sangkat Beung Thom, Khan Por Senchey, Phnom Penh)
Note 10: Kawasan Industri Indotaisei Sektor IA Blok D-Z, Kalihurip Cikampek, Karawang-Jawa Barat
Note 11: 820 S VINTAGE AV#A ONTARIO CA 91764 CALIFORNIA
Note 12: 9141 Arrow Route, Rancho Cucamonga, CA
Note 13: 785 E. Harrison Street, Corona, CA
Note 14: 785 E. Harrison Street, Corona, CA
Note 15: 275 Industrial DR, Pontotoc, MS
Note 16: 9141 Arrow Route, Rancho Cucamonga, CA
Note 17: According to the regulations, it can be exempted from filling in columns.
Note 18: Please refer to Table 8 for information of investees in Mainland China.
Note 19: The difference between the investment income and loss recognized in the current period and the income and loss of the invested company recognized according to the shareholding ratio in the current period is the unrealized income and loss of the upstream and downstream transactions within the group.
Note 20: All the transactions had been eliminated when preparing the consolidated financial statements.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 8

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1,2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Shares of Profits/ Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
DONG GUAN TAIXIN FIBER PRODUCTS CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 61,410 (USD 2,000)	Note 2	NTD 60,000	-	-	NTD 60,000	NTD (51,857)	100%	NTD (53,863)	NTD (11,768)	NTD 131,709
SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 76,763 (USD 2,500)	Note 2	NTD 8,430	-	-	NTD 8,430	NTD 209,405	11%	NTD 23,502	NTD 31,854	NTD 40,172
“	Nonwoven fabric material manufacturing, processing and trading	“	Note 1	Note 1			Note 1	NTD 209,405	89%	NTD 185,910	NTD 385,589	-
SHINIH FIBER PRODUCTS (DONG GUAN) CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 52,813 (USD 1,720)	Note 1	Note 1	-	-	Note 1	NTD 12,401	100%	NTD 12,401	NTD 68,492	-
HANGZHOU SHINIH FIBER PRODUCTS CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 115,144 (USD 3,750)	Note 1	Note 1	-	-	Note 1	NTD 18,546	100%	NTD 18,546	NTD 238,273	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 8

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1,2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Shares of Profits/ Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 61,410 (USD 2,000)	Note 1	Note 1	-	-	Note 1	NTD 5,151	100%	NTD 5,151	NTD 68,136	-
TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 153,525 (USD 5,000)	Note 1	Note 1	-	-	Note 1	NTD 15,424	100%	NTD 15,361	NTD 256,670	-
TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 64,481 (USD 2,100)	Note 1	Note 1	-	-	Note 1	NTD (9,149)	100%	NTD (9,769)	NTD 64,080	-
QINGDAO TAIXIN FIBER PRODUCTS CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 92,115 (USD 3,000)	Note 1	Note 1	-	-	Note 1	NTD (3,154)	100%	NTD (3,154)	NTD 22,259	-
HUBEI TAIXIN FIBER PRODUCTS CO., LTD.	Nonwoven fabric material manufacturing, processing and trading	NTD 115,144 (USD 3,750)	Note 1	Note 1	-	-	Note 1	NTD (10,510)	100%	NTD (10,510)	NTD (28,574)	-

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 8

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1,2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Shares of Profits/ Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Outflow						
KUNSHAN SHINIH TRADING CO., LTD.	General merchandise trade	NTD 9,212 (USD 300)	Note 1	Note 1	-	-	Note 1	NTD 1,387	100%	NTD 1,387	NTD (1,801)	-

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 160,545	NTD 882,155 (USD 28,730)	NTD 2,059,861

Note 1：The Company remitted US$3,000 thousand from Taiwan to invest in SHINIH HOLDING CO., LTD., and pass through SHINIH HOLDING CO., LTD. to invest in SHINIH FIBER PRODUCTS (SUZHOU) CO., LTD., SHINIH FIBER PRODUCTS (DONG GUAN) CO., LTD., HANGZHOU SHINIH FIBER PRODUCTS CO., LTD., SHINIH FIBER PRODUCTS (TANGSHAN) CO., LTD., TAIXIN FIBER PRODUCTS (SUZHOU) CO., LTD., TANGSHAN TAIXIN FIBER PRODUCTS CO., LTD., QINGDAO TAIXIN FIBER PRODUCTS CO., LTD., HUBEI TAIXIN FIBER PRODUCTS CO., LTD. and KUNSHAN SHINIH TRADING CO., LTD.

Note 2：Directly invest in a company in Mainland China.

Note 3：It is recognized according to the financial statements audited by Taiwan accountants for the same period.

Note 4：All the transactions had been eliminated when preparing the consolidated financial statements.

Note 5：According to the "Principles for Reviewing Investment or Technical Cooperation in the Mainland Area", investors who remit dividends or profits from mainland investment enterprises back to Taiwan shall deduct their accumulated investment amount. As of December 31, 2023, the accumulated amount of investment remitted out was $160,545 thousand; the accumulated profit remitted back from the mainland was $171,881 thousand.

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
MAJOR SHAREHOLDERS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 9

Share / Major shareholders	Total Shares Owned	Ownership Percentage
LEE PONT INVESTMENT CO., LTD.	24,075,234	22.06%

TABLE 10

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
SEGMENT INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

Amounts in Thousands of New Taiwan Dollars

	2023					
	China	U.S.	Taiwan	Southeast Asia	Eliminations	Total
Revenue						
Revenue from external customers	$ 585,577	$ 589,412	$ 386,978	$ 552,939	$ -	$ 2,114,906
Revenue from intersegments	62,327	198,591	13,253	12,419	(286,590)	-
Total	$ 647,904	$ 788,003	$ 400,231	$ 565,358	$ (286,590)	$ 2,114,906
Financial costs	$ 17,777	$ 3,166	$ 24,272	$ 8,472	$ (24,553)	$ 29,134
Depreciation and amortization	$ 66,926	$ 35,833	$ 90,123	$ 46,434	$ (29,067)	$ 210,249
Gain on relocating compensation	$ 282,284	$ -	$ -	$ -	$ -	$ 282,284
Segment profit or loss	$ 286,959	$ 52,359	$ (145,917)	$ 177,514	$ 762	$ 371,677
Profit before tax						$ 371,677
Total assets						$ 5,960,034

(Continued)

SHINIH ENTERPRISE CO., LTD. AND SUBSIDIARIES
SEGMENT INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

Amounts in Thousands of New Taiwan Dollars

	2022					
	China	U.S.	Taiwan	Southeast Asia	Eliminations	Total
Revenue						
Revenue from external customers	$ 691,365	$ 696,610	$ 557,213	$ 685,065	$ -	$ 2,630,253
Revenue from intersegments	57,688	267,661	17,993	1,544	(344,886)	-
Total	$ 749,053	$ 964,271	$ 575,206	$ 686,609	$ (344,886)	$ 2,630,253
Financial costs	$ 16,173	$ 5,024	$ 15,451	$ 6,689	$ (19,592)	$ 23,745
Depreciation and amortization	$ 55,424	$ 33,105	$ 95,780	$ 45,520	$ (31,526)	$ 198,303
Impairment loss	$ -	$ -	$ 49,966	$ -	$ -	$ 49,966
Gain on relocating compensation	$ 326,361	$ -	$ -	$ -	$ -	$ 326,361
Segment profit or loss	$ 357,530	$ 60,118	$ (94,127)	$ 128,146	$ (7,349)	$ 444,318
Profit before tax						$ 444,318
Total assets						$ 6,178,438