

Stock Code : 1443

Lily Logistics Development Co., Ltd. and Subsidiaries
(Original Name: Lily Textile Co., Ltd.)
Consolidated Financial Statements
and Independent Auditors' Report
2024 and 2023

Company Address : No.65, Sec.1, Shuangfu Road, Pingzhen District, Taoyuan City

Company Phone Number : (02)2555-7680

Lily Logistics Development Co., Ltd. and Subsidiaries

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Lily Logistics Development Co., Ltd. and Subsidiaries
Declaration Statement
December 31, 2024

According to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Associates”, for the year of 2024 (from January 1, 2024 to December, 2024), the affiliated companies of Lily Logistics Development Co., Ltd. which should be included when preparing the Consolidated Financial Statements of Associates are the same as those which shall be included in the Consolidated Financial Statements of the parent and subsidiaries prepared under No.10 of International Financial Reporting Standards, and all of the related information which shall be disclosed in the Consolidated Financial Statements of Associates had been disclosed in the above Consolidated Financial Statements of the parent and subsidiaries. Therefore, separate Consolidated Financial Statements of Associates are not prepared.

Declared herein

Company Name : Lily Logistics Development Co., Ltd.

Responsible Person : Su, Dong-Rong

March 12, 2025

Independent Auditors' Report

To: Lily Logistics Development Co., Ltd.

Opinion

We have audited the consolidated financial statements of Lily Logistics Development Co., Ltd. and Subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2024 and 2023, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (together “Consolidated Financial Statements”).

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, and the related interpretations endorsed and issued into effect by the Financial Supervisory Commission (together “IFRSs”).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code. 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, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and, in forming our opinion thereon; we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements for the year ended December 31, 2024 are stated as follows :

Impairment of receivables

For disclosures related to impairment of receivables, please refer to Note (4)7, Note (6)5 and Note (7) of the Consolidated Financial Statements.

Since impairment of the Group's receivables (including related parties) as of December 31, 2024 is recognized based on the management's assessment through various outside evidence, which involved judgement by the management, we have included it as one of the key audit matters in our audit of the financial statements.

Our main audit procedures conducted in response to the above key audit matter include :

1. Obtained aging analysis schedule for receivables, recomputed the aging intervals, sampled the source document and checked if the receivables have been listed in the appropriate period ; selected samples and send confirmation letters.
2. Reviewed historical collection records, industrial and economical status and customer credit risks, etc., tested subsequent receipts and assessed reasonableness of the Group's allowance for accounts receivable and impairment loss.
3. Obtained assessment document for allowance for receivables, reviewed whether or not the Group's policies are followed and whether or not the management's disclosures related to allowance for receivables are appropriate.

Other Matters

Lily Logistics Development Co., Ltd. has prepared the parent company only financial statements for the 2024 and 2023, along with the independent auditors' report with unqualified opinion issued, available for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for preparation and fair presentation of the Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines 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, to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 of 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 of 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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, determine whether any material uncertainty exists in the 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 related notes) and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and 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 guidance, supervision and performance for the

audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned audit scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified 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 affect 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless the laws or regulations preclude public disclosure on the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to be greater than the additional benefits brought to the public from such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiu, Chi-Sheng and Wang, Wu-Chang.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

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

Lily Logistics Development Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Code	Assets	Unit : Thousand NTD			
		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note (6)1)	\$ 124,282	2	\$ 108,083	2
1110	Financial assets at FVTPL - current (Note (6)2)	47,756	1	16,855	–
1120	Financial assets at FVTOCI - current (Note (6)3)	8,086	–	8,590	–
1150	Notes receivable, net (Note (6)4)	8,716	–	3,582	–
1160	Notes receivable - related parties, net (Note (7))	9,549	–	10,085	–
1170	Accounts receivable, net (Note (6)5)	106,679	2	84,860	1
1180	Accounts receivable - related parties, net (Note (7))	3,928	–	12,420	–
1200	Other receivables (Note (6)6)	11,659	–	7,531	–
1210	Other receivables - related parties (Note (7))	5,313	–	5,782	–
1220	Current-period income tax assets	1,334	–	1,103	–
1310	Inventories, net (Note (6)7)	26,675	–	42,091	1
1320	Land and buildings for sale (Note (6)8)	4,918	–	4,918	–
1410	Prepayments	23,883	–	9,929	–
1476	Other financial assets - current (Note (6)9, (8))	179,936	2	179,823	3
1479	Other current assets - other	261	–	6	–
11xx	Total Current Assets	562,975	7	495,658	7
	Noncurrent Assets				
1517	Financial assets at FVTOCI - noncurrent (Note (6)3)	162,356	2	183,155	3
1550	Investments accounted for using equity method (Note (6)10)	489,625	7	461,597	6
1600	Property, plant and equipment (Note (6)11, (8))	5,517,367	72	4,934,383	70
1755	Right-of-use assets (Note (6)12)	6,831	–	6,728	–
1760	Investment property, net (Note (6)13, (8))	895,881	12	888,462	13
1840	Deferred income tax assets (Note (6)30)	2,706	–	4,257	–
1900	Other noncurrent assets (Note (6)14)	21,920	–	52,429	1
15xx	Total Noncurrent Assets	7,096,686	93	6,531,011	93
1xxx	Total Assets	\$ 7,659,661	100	\$ 7,026,669	100

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Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
21xx	Current Liabilities				
2100	Short-term borrowings (Note (6)15)	\$ 1, 051, 014	14	\$ 762, 699	11
2110	Short-term notes and bills payable (Note (6)16)	99, 930	1	–	–
2130	Contract liabilities - current (Note (6)25)	973	–	–	–
2150	Notes payable	33, 685	–	12, 470	–
2160	Notes payable - related parties (Note (7))	183	–	222	–
2170	Accounts payable	34, 718	–	28, 041	–
2180	Accounts payable - related parties (Note (7))	2, 223	–	2, 148	–
2200	Other payables	291, 549	4	262, 372	4
2220	Other payables - related parties (Note (7))	629, 794	8	581, 000	8
2230	Current-period income tax liabilities	40, 115	1	–	–
2250	Provisions - current (Note (6)17)	3, 942	–	3, 324	–
2280	Lease liabilities - current (Note (6)12)	4, 410	–	4, 148	–
2320	Long-term liabilities due within one year or within one business cycle (Note (6)18)	324, 980	4	1, 460, 049	21
2399	Other current liabilities - other	616	–	675	–
21xx	Total Current Liabilities	2, 518, 132	33	3, 117, 148	44
25xx	Noncurrent Liabilities				
2540	Long-term borrowings (Note (6)18)	2, 944, 394	39	1, 849, 723	27
2570	Deferred income tax liabilities (Note (6)30)	380, 663	5	370, 231	5
2580	Lease liabilities - noncurrent (Note (6)12)	2, 260	–	2, 419	–
2640	Net defined benefit liability - noncurrent (Note (6)19)	16, 485	–	15, 243	–
2670	Other noncurrent liabilities - other	67, 105	1	66, 803	1
21xx	Total Noncurrent Liabilities	3, 410, 907	45	2, 304, 419	33
2xxx	Total Liabilities	5, 929, 039	77	5, 421, 567	77
	Equity				
31xx	Equity attributable to owners of the parent company	2, 161, 767	28	1, 975, 808	28
3100	Capital (Note (6)20)	1, 353, 430	18	1, 353, 430	19
3200	Capital surplus (Note (6)21)	701	–	701	–
3300	Retained earnings (Note (6)22)	25, 740	–	(217, 817)	(3)
3350	Accumulated deficit	25, 740	–	(217, 817)	(3)
3400	Other equity (Note (6)23)	781, 896	10	839, 494	12
3410	Exchange differences on translation of foreign operations	71, 984	1	104, 206	2
3420	Unrealized valuation gain or loss on financial assets at FVTOCI	206, 280	3	231, 656	3
3460	Property revaluation increment	503, 632	6	503, 632	7
36xx	Non-controlling interest (Note (6)24)	(431, 145)	(5)	(370, 706)	(5)
3xxx	Total Equity	1, 730, 622	23	1, 605, 102	23
	Total Liabilities and Equity	\$ 7, 659, 661	100	\$ 7, 026, 669	100

(The accompanying notes form an integral part of the Consolidated Financial Statements)

Lily Logistics Development Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit : Thousand NTD

Code	Item	2024		2023	
		Amount	%	Amount	%
4000	Operating revenue, net (Note (6)25)	\$ 924,396	100	\$ 780,755	100
5000	Operating costs (Note (6)7, 26)	(491,542)	(53)	(419,321)	(54)
5900	Gross profit	432,854	47	361,434	46
6000	Operating expenses (Note (6)26)	(112,986)	(12)	(98,182)	(12)
6100	Selling expenses	(15,011)	(2)	(11,233)	(1)
6200	Administrative expenses	(97,975)	(10)	(85,575)	(11)
6450	Loss on expected credit impairment (Note (6)5)	–	–	(1,374)	–
6900	Net operating income	319,868	35	263,252	34
7000	Non-operating income and expenses	(56,154)	(6)	(121,801)	(16)
7100	Interest income	5,267	1	6,736	1
7010	Other income (Note (6)27)	5,925	1	2,511	–
7020	Other gains and losses (Note (6)28)	23,553	2	(35,658)	(5)
7050	Finance costs (Note (6)29)	(98,927)	(11)	(98,643)	(13)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (Note (6)10)	8,028	1	3,253	1
7900	Income before income tax	263,714	29	141,451	18
7950	Income tax benefit (expense) (Note (6)30)	(52,492)	(6)	1,277	–
8200	Net Income	211,222	23	142,728	18
8300	Other comprehensive income (loss), net of tax (Note (6)31)	(85,896)	(9)	128,547	17
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (Note (6)19)	(2,155)	–	(2,014)	–
8316	Unrealized valuation gains or losses on investments in equity instruments measured at FVTOCI	(45,182)	(5)	21,739	3
8326	Unrealized valuation gains or losses on investments in equity instruments (associates and joint ventures accounted for using equity method) measured at FVTOCI (Note (6)10)	19,806	2	71,541	9
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(58,365)	(6)	37,281	5
8500	Total comprehensive income (loss)	\$ 125,326	14	\$ 271,275	35
8600	Net income (loss) attributable to :				
8610	Owners of the parent company	\$ 245,518	–	\$ 174,711	–
8620	Non-controlling interest	(34,296)	–	(31,983)	–
		\$ 211,222	–	\$ 142,728	–
8700	Total comprehensive income (loss) attributable to :				
8710	Owners of the parent company	\$ 185,765	–	\$ 286,559	–
8720	Non-controlling interest	(60,439)	–	(15,284)	–
		\$ 125,326	–	\$ 271,275	–
Earnings Per Share (NTD) (Note (6)31)					
9750	Basic earnings per share	\$ 1.81		\$ 1.29	
9850	Diluted earnings per share (NTD)	\$ 1.81		\$ 1.29	

(The accompanying notes form an integral part of the Consolidated Financial Statements)

Lily Logistics Development Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit : Thousand NTD

Item	Equity Attributable to Owners of the Parent Company							Non-controlling Interest	Total Equity
	Share Capital - Common Shares	Capital Surplus	Retained Earnings	Other Equity Items			Total Equity Attributable to Owners of the Parent Company		
			Accumulated deficit	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets at FVTOCI	Property revaluation increment			
Balance on January 1, 2023	\$ 1, 353, 430	\$ 701	(\$ 390, 514)	\$ 83, 624	\$ 138, 376	\$ 503, 632	\$ 1, 689, 249	(\$ 351, 122)	\$ 1, 338, 127
Net income (loss) for 2023	–	–	174, 711	–	–	–	174, 711	(31, 983)	142, 728
Other comprehensive income (loss) for 2023	–	–	(2, 014)	20, 582	93, 280	–	111, 848	16, 699	128, 547
Decrease in non-controlling interest	–	–	–	–	–	–	–	(4, 300)	(4, 300)
Balance on December 31, 2023	1, 353, 430	701	(217, 817)	104, 206	231, 656	503, 632	1, 975, 808	(370, 706)	1, 605, 102
Changes in associates and joint ventures accounted for using equity method	–	–	194	–	–	–	194	–	194
Net income (loss) for 2024	–	–	245, 518	–	–	–	245, 518	(34, 296)	211, 222
Other comprehensive income (loss) for 2024	–	–	(2, 155)	(32, 222)	(25, 376)	–	(59, 753)	(26, 143)	(85, 896)
Balance on December 31, 2024	\$ 1, 353, 430	\$ 701	\$ 25, 740	\$ 71, 984	\$ 206, 280	\$ 503, 632	\$ 2, 161, 767	(\$ 431, 145)	\$ 1, 730, 622

(The accompanying notes form an integral part of the Consolidated Financial Statements)

Lily Logistics Development Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit : Thousand NTD

Item	2024	2023
Cash flows from operating activities :		
Profit before income tax	\$ 263, 714	\$ 141, 451
Adjustment items :		
Income/gain or expense/loss items not affecting cash flows		
Depreciation expense	111, 668	98, 073
Amortization expense	4, 309	6, 051
Loss on expected credit impairment	–	1, 374
Net loss (gain) on financial assets at FVTPL	(20, 091)	(2, 396)
Interest expense	98, 927	98, 643
Interest income	(5, 267)	(6, 736)
Dividend income	(4, 088)	(2, 012)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(8, 028)	(3, 253)
Net loss (gain) on disposal or scrapping of property, plant and equipment	(39)	(300)
Net loss (gain) from disposal of investments	(90)	958
Fair value adjustment loss (gain) on investment property	23, 037	(360)
Changes in current assets and liabilities related to operating activities		
Decrease (increase) in notes receivable	(5, 121)	3, 753
Decrease (increase) in notes receivable - related parties	536	14, 117
Decrease (increase) in accounts receivable	(22, 511)	48, 461
Decrease (increase) in accounts receivable – related parties	8, 492	(8, 796)
Decrease (increase) in other receivables	(4, 545)	19, 736
Decrease (increase) in other receivables – related parties	469	115
Decrease (increase) in inventories	15, 416	9, 305
Decrease (increase) in prepayments	(13, 954)	(4, 904)
Decrease (increase) in other current assets	(255)	(6)
Decrease (increase) in other financial assets - current	(113)	6, 721
Increase (decrease) in contract liabilities	973	(1, 818)
Increase (decrease) in notes payable	21, 215	(3, 187)
Increase (decrease) in notes payable – related parties	(39)	9
Increase (decrease) in accounts payable	6, 677	(39, 580)
Increase (decrease) in accounts payable – related parties	75	(50)
Increase (decrease) in other payables	27, 400	(6, 457)
Increase (decrease) in provisions	618	306
Increase (decrease) in other current liabilities	(59)	184
Increase (decrease) in net defined benefit liabilities	(913)	(4, 027)
Cash generated from (used in) operations	98, 413	365, 375
Interest received	5, 465	7, 217
Dividend received	4, 088	2, 012
Interest paid	(98, 875)	(103, 931)
Income tax refunded (paid)	(625)	(3, 475)
Net cash flows from (used in) operating activities	408, 466	267, 198

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Item	2024	2023
Cash flows from investing activities :		
Acquisition of FVTOCI financial assets	(\$ 23, 879)	(\$ 10, 937)
Acquisition of financial assets at FVTPL	(18, 392)	(13, 760)
Disposal of financial assets at FVTPL	7, 672	3, 106
Acquisition of property, plant and equipment	(500, 227)	(545, 850)
Disposal of property, plant and equipment	1, 655	300
Decrease (increase) in refundable deposits	(3, 150)	(100)
Acquisition of investment property	–	(2, 386)
Increase in other noncurrent assets	(1, 094)	(5, 598)
Increase in prepayments for equipment	(158, 708)	(47, 231)
Net cash flows from (used in) investing activities	(696, 123)	(622, 456)
Cash flows from financing activities :		
Increase in short-term borrowings	288, 315	231, 299
Increase (decrease) in short-term notes and bills payable	100, 000	–
Borrowing (repayment) of long-term borrowings	(40, 398)	33, 339
Increase (decrease) in guarantee deposits received	302	(163)
Increase in other payables - related parties	48, 794	17, 039
Lease principal repayments	(5, 225)	(4, 038)
Changes in non-controlling interest	–	(4, 300)
Net cash flows from (used in) financing activities	391, 788	273, 176
Effects on cash and cash equivalents from exchange fluctuations	(87, 932)	57, 224
Increase (decrease) in cash and cash equivalents	16, 199	(24, 858)
Cash and cash equivalents, beginning of year	108, 083	132, 941
Cash and cash equivalents, end of year	\$ 124, 282	\$ 108, 083

(The accompanying notes form an integral part of the Consolidated Financial Statements)

Lily Logistics Development Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Amounts in thousands of NTD, unless specified otherwise)

(1) General Information

Lily Logistics Development Co., Ltd. (the "Company"), original name : Lily Textile Co., Ltd., was founded on November 25, 1972 and changed to its present name in July 2022. The original business of the Company included spinning, weaving, processing, trading, bidding and agency business of natural cotton, artificial fibers and various chemical fibers. In response to industrial transformation and economic development trends, the Company determined to discontinue the production business of the cotton spinning factory in March 2017. The factory was rebuilt and developed into a logistics center. The current major business of the Company includes warehouse leasing and tallying, and the trading, bidding and agency business of various products of raw cotton materials are retained as supplementary business. Regarding major businesses of the Company and its subsidiaries (the "Group"), please refer to Note (4)3(2). In addition, the Company does not have ultimate parent company.

These Consolidated Financial Statements are expressed in the Company's functional currency, NTD.

(2) The Authorization of Financial Statements

The accompanying Consolidated Financial Statements were approved and authorized for issue by the Group's board of directors ("Board of Directors") on March 12, 2025.

(3) Application of Newly Issued and Amended Standards and Interpretations

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 2024 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note A)

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024 (Note A)
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024 (Note A)
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements ”	January 1, 2024 (Note A)

Note A : An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2024.

(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 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 counter-party to extinguish the liability. If the terms of the liability give the counter-party 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) Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”

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 significant impact on the Group’s financial position or financial performance.

2. The impact of not yet adopting the newly issued and revised IFRSs endorsed by the FSC is summarized in the following table:

New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Convertibility”	January 1, 2025

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

3. The impact of IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

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

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

Except for the following, based on the Group’s assessment, the application of the New IFRSs above will not have significant impact on the Group’s financial position or financial performance.

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

The amendments are described below:

A. Clarify the dates for recognition and derecognition of certain financial assets and liabilities, adding that when using an electronic payment system to settle a financial liability (or a portion of a financial liability) in cash, an enterprise is permitted to deem a financial liability to be discharged prior to the date of settlement if, and only if, the enterprise initiates a payment instruction that results in the following conditions:

- (A) The enterprise does not have the ability to revoke, stop or cancel the payment designation;
- (B) The enterprise does not have the actual ability to obtain cash for settlement as a result of the payment instruction;
- (C) The settlement risk associated with the electronic payment system is not significant.

- B. Clarify and add further guidance for assessing whether a financial asset meets the SPPI criteria, including contractual terms that vary cash flows based on contingent events (e.g., interest rates linked to ESG objectives), instruments with non-recourse features, and contractually linked instruments.
 - C. For certain instruments with contractual terms that may change cash flows (e.g., instruments with features linked to the realization of environmental, social and governance (ESG) objectives), the following should be disclosed: a qualitative description of the nature of the contingencies; quantitative information about the range of variability in contractual cash flows that could result from those contractual terms; the total carrying amount of the financial asset and the amortized cost of the financial liability under the terms of those contracts.
 - D. Updating the fair value of equity instruments designated as at fair value through other comprehensive income (“FVTOCI”) through an irrevocable election should disclose the fair value of the instruments on a class-by-class basis, eliminating the need to disclose fair value information on a per-underlying basis. The amount of fair value gains and losses recognized in other comprehensive income during the reporting period, the amount of fair value gains and losses related to investments that were derecognized during the reporting period and the amount of fair value gains and losses related to investments still held at the end of the reporting period should be disclosed, as well as the cumulative gains and losses on the derecognition of an investment during the reporting period that was transferred to equity during the reporting period.
- (2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

- A. Clarify the application of requirements regarding “self-use” by enterprises for their contracts for purchasing or sale of natural electricity:

When a contract obligates an enterprise to purchase and receive electricity at the time of generation and the design and operation of the contracted electricity trading market requires the enterprise to sell any amount of

unused electricity within a specified period of time, the enterprise shall take into account reasonable and supported information about its past, current, and expected future electricity transactions within a reasonable period of time not to exceed twelve months. An enterprise becomes a net purchaser of electricity when it purchases sufficient electricity to offset any unused power sold in the same market in which it sells electricity. Contracts involving natural electricity for self-consumption are required by the new amendments to disclose:

- (A) The risk that the enterprise may face changes in base electricity and that the enterprise may be required to purchase electricity during delivery intervals when electricity is unavailable,
- (B) Unrecognized contractual commitments, including the expected future cash flows from electricity purchases under these contracts, and
- (C) The impact of the contracts on the financial performance of the enterprise during the reporting period.

B. Determine how the designation of contracts involving natural electricity as hedging instruments enables the application of hedge accounting:

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

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

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

This amendment resolves an inconsistency between the current IFRS 10 and IAS 28. Depending on the nature of the assets sold (invested), all or part of the gains or losses on disposal shall be recognized when the investor sells (invests) the assets to associates and joint ventures:

- A. Gains or losses are recognized in full when the assets sold (invested) qualify as “business”;
- B. When the assets sold (invested) do not qualify as “business”, only a portion of the gains or losses on disposal within the scope of the unrelated investor's equity in the associates and joint ventures can be recognized.

(4) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

(5) IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

This standard allows qualified subsidiaries to apply IFRSs with reduced disclosure requirements.

As of the date of issuance of these financial statements, the Group is continuously evaluating the impact of the above standards and interpretations on the Group's financial position and financial performance, and the related impact will be disclosed when the evaluation is completed.

(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.

1. Statement of Compliance

The accompanying Consolidated Financial Statements have been prepared in the conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of Preparation

(1) Except for the following items, the Consolidated Financial Statements have been prepared under the historical cost convention :

- A. Financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss (“FVTPL”).
- B. Financial assets and liabilities measured at fair value through other comprehensive income (“FVTOCI”).

- C. Liabilities from cash-settled share-based payment agreements measured at fair value.
 - D. Defined benefit liability recognized based on the pension fund assets, net of the present value of defined benefit obligations.
- (2) The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The 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).

3. Basis of Consolidation

(1) Principles for preparing the 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 in 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. The accounting policies of the 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 (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. 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.

(2) The subsidiaries in the consolidated financial statements :

Investor	Subsidiaries	Main Business Items	Percentage of Ownership	
			2024.12.31	2023.12.31
Lily Logistics Development Co., Ltd. (the Company)	Mighty Business Ltd. ("Mighty ")	Based on the instructions of the parent company's operating policies to reinvest in various businesses outside Taiwan.	100.00%	100.00%
"	Gisong Enterprise Corporation ("Gisong")	Spinning of yarn.	57.00%	57.00%
"	Lilytex International Corp. ("Lilytex")	Based on the instructions of the parent company's operating policies to reinvest in various businesses outside Taiwan.	70.59%	70.59%
Lilytex International Corp. ("Lilytex")	Kunshan Lily Textile Co., Ltd. ("Kunshan Lily")	Warehousing and leasing.	78.21%	78.21%

Increase or decrease in consolidation subsidiaries : None.

(3) Subsidiaries not included in the Consolidated Financial Statements : None.

(4) Adjustments and treatment methods for different accounting periods of subsidiaries : None.

(5) Significant restrictions :

On December 31, 2024 and 2023, the Group's cash and cash in bank were \$7,345 thousand and \$9,350 thousand, respectively in China, which were subject to local foreign exchange control. These foreign exchange controls restrict the repatriation of funds outside of China (except through normal dividends).

(6) Subsidiaries holding securities issued by the parent company : None.

(7) Information on subsidiaries with significant non-controlling interests :

Name of subsidiaries	Percentage of ownership	Non-controlling interest	December 31, 2024
			Profit (loss) allocated to non-controlling interests
Lilytex and its Subsidiaries	29.41%	(\$ 530, 668)	(\$ 39, 476)
Others		99, 523	5, 180
Total		(\$ 431, 145)	(\$ 34, 296)

Name of subsidiaries	Percentage of ownership	Non-controlling interest	December 31, 2023
			Profit (loss) allocated to non-controlling interests
Lilytex and its Subsidiaries	29.41%	(\$ 465, 049)	(\$ 24, 537)
Others		94, 343	(7, 446)
Total		(\$ 370, 706)	(\$ 31, 983)

A. Please refer to the Tables 7 and 8 of Note (13) for the country information on the major business locations and company registrations of the above-mentioned subsidiaries.

B. Summarized financial information as following :

(A) Balance Sheets :

	Lilytex International Corp. and its Subsidiaries	
	December 31, 2024	December 31, 2023
Current assets	\$ 41, 597	\$ 38, 866
Noncurrent assets	896, 105	888, 737
Current liabilities	(2, 470, 520)	(2, 394, 654)
Noncurrent liabilities	(297, 165)	(216, 433)
Equity	(\$ 1, 829, 983)	(\$ 1, 683, 484)

(B) Statements of Comprehensive Income :

	Lilytex International Corp. and its Subsidiaries	
	2024	2023
Revenue	\$ 79,537	\$ 68,890
Net income (loss)	(\$ 88,134)	(\$ 54,779)
Other comprehensive income (loss) (net of tax)	(58,365)	37,280
Total comprehensive income	(\$ 146,499)	(\$ 17,499)
Net loss attributable to non-controlling interest	(\$ 19,204)	(\$ 11,936)
Total comprehensive income (loss) attributable to non-controlling interest	(\$ 31,922)	(\$ 3,813)
Dividends paid to non-controlling interest	\$ –	\$ –

(C) Statements of Cash Flows :

	Lilytex International Corp. and Its Subsidiaries	
	2024	2023
Net cash flows from (used in) operating activities	\$ 14,772	\$ 4,434
Net cash flows from (used in) investing activities	–	(2,386)
Net cash flows from (used in) financing activities	(16,707)	(15,306)
Effects on cash and cash equivalents from exchange fluctuations	197	(306)
Increase (decrease) in cash and cash equivalents	(1,738)	(13,564)
Cash and cash equivalents, beginning of year	6,647	20,211
Cash and cash equivalents, end of year	\$ 4,909	\$ 6,647

4. Foreign Currency Conversion

- (1) Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Consolidated Financial Statements are presented in New Taiwan Dollars (NTD), which is the Group's functional currency.
- (2) 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 at 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 at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on 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 differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

- (3) For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into NTD 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 are attributed to non-controlling interests as appropriate.

5. Classification of current and noncurrent assets and liabilities

- (1) Assets that meet one of the following conditions are classified as current assets:
 - A. Assets expected to be realized in the normal cycle of business, or is intended to be sold or consumed.
 - B. Assets held primarily for trading purposes.
 - C. Assets expected to be realized within twelve months from the balance sheet date; or
 - D. Cash or cash equivalents, excluding those exchanged, restricted, or used to settle liabilities more than twelve months after the balance sheet date.The Group classifies all assets that do not meet the above conditions as noncurrent.
- (2) Liabilities that meet one of the following conditions are classified as current liabilities:
 - A. Liabilities expected to be settled in the normal business cycle.
 - B. Liabilities arising primarily for trading purposes.
 - C. Liabilities that shall be repaid within twelve months after the balance sheet date. (Even if a long-term refinancing or rescheduling payment agreement has been completed after the balance sheet date and before the release of the financial statement, it will also be the current liabilities).

- D. Liabilities for which cannot unconditionally extend the repayment period to at least twelve months after the balance sheet date. The terms of the liability, which may be settled by issuing equity instruments at the option of the counterparty, do not affect its classification.

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

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 (including the original maturity of the time deposits within three months.)

7. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. 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.

(1) Financial assets

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

A. Types of measurement

Financial assets are classified into the following categories: Financial assets measured at FVTPL, financial assets measured at amortized cost, and equity investments measured at FVTOCI.

(A) Financial assets measured at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include equity investments that are not designated as at FVTOCI and debt investments that do not meet the criteria for being classified as at amortized cost criteria or at FVTOCI. Financial assets are designated as at FVTPL upon initial recognition, if such designation may be eliminated, significantly reduced in measurement, or with inconsistent recognition.

Financial assets at FVTPL are initially and subsequently measured at fair value, with any dividends, interest earned, and gains or losses arising from remeasurement recognized in other gains or losses/dividends arising are recognized in other income, interest income and remeasurement gains or losses are recognized in other gains and losses. Fair value is determined in the manner described in Note 12.

(B) Financial assets measured at amortized cost

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

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. 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 the gross carrying amount determined using 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 such a financial asset, except for:

- a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

(C) Investments in equity instruments measured at FVTOCI

At initial recognition, the Group may irrevocably designate the equity instrument investment that is not held for trading and recognized as a contingent consideration by a business merger to be measured at fair value through other comprehensive gains and losses.

Investments in equity instruments measured at fair value through other comprehensive profit or loss are measured at fair value, with subsequent fair value changes presented in other comprehensive profit or loss and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B. Impairment of financial assets

- (A) The Group recognizes loss allowances for expected credit losses on financial assets at amortized cost (including accounts receivable), debt investments measured at FVTOCI, lease receivables (operating/financing), and contract assets.
- (B) The Group recognizes loss allowances at an amount equal to lifetime expected credit losses (i.e. ECLs) for accounts receivable, contract assets, and lease receivables (operating/financing). 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 on a 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 ECLs.
- (C) Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent 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 represent 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.
- (D) The Group recognizes impairment losses for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVTOCI, for which the loss allowance is recognized in other

comprehensive income and does not reduce the carrying amount of such a financial asset.

C. De-recognition of financial assets

The Group will de-recognize financial assets when one of the following conditions is met:

- (A) The contractual rights to cash flows from financial assets expire.
- (B) The contractual rights to receive the cash flows of the financial asset are transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.
- (C) The Group neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it does not retained control of the financial asset.

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

(2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. 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.

(3) Financial liabilities

A. Subsequent measurement

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

- (A) Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. A financial liability

is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term. Derivatives are also categorized as financial liabilities held for trading unless they are financial guarantee contracts or designated and effective hedging derivatives. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

- a. They are hybrid (combined) contracts; or
 - b. They eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
 - c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- (B) Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.
- (C) For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability is presented in profit or loss. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

B. De-recognition 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.

(4) 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 de-recognition 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 de-recognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

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 of completion of sales.

9. Properties and constructions for sales

- (1) Properties and constructions for sales are accounted for at actual cost. The profit and loss for those delivered is apportioned according to the selling price ratio and shall be evaluated based on the lower of cost and net realizable value at the end of the period.
- (2) The recognition of profit and loss adopts the cost recovery method.
- (3) The business cycle is adopted as the criterion for dividing current and noncurrent.

10. Investments using the equity method - associates

- (1) Associates refer to all entities over which the Group has significant influence but no control, generally directly or indirectly holding more than 20% of their voting shares. The Group adopts the equity method to dispose of the investment in associates, and recognizes it at cost when acquired.
- (2) The Group recognizes the share of profit and loss acquired by the associates as profit and loss of the current period, and the share of other comprehensive profit

and loss acquired by the Group as other comprehensive profit or loss. If the Group's share of losses to any associate is equivalent to or exceeds its equity in the associate (including any other unsecured receivables), the Group will not recognize further losses unless the Group has any statutory or constructive obligations to, or has paid on behalf of the associate.

- (3) The unrealized gains and losses arising from transactions between the Group and associates have been eliminated in proportion to its equity in the associates; unless there is further evidence that the assets transferred in the transaction have been impaired, unrealized losses will also be eliminated. The accounting policies of the associates have been adjusted as necessary to be consistent with the policies adopted by the Group.
- (4) In the event that an affiliate enterprise issues new shares, and the Group does not subscribe to the new shares in accordance with the proportion, resulting in a change in the investment ratio but still having a significant impact on it, the increase or decrease of the change in the net equity value is to adjust the "capital surplus" and "investments accounted for under the equity method". If the proportion of investment is reduced, in addition to the above-mentioned adjustments, the gains or losses related to the reduction of ownership interests that have been previously recognized in other comprehensive profit or loss, and the gains or losses must be reclassified to profit or loss when disposing of related assets or liabilities, it shall be reclassified to profit or loss according to the reduction ratio.
- (5) When the Group loses its significant influence on the associate, the remaining investment in the original associate will be re-measured according to the fair value, and the difference between the fair value and the book value will be recognized as the profit and loss of the current period.
- (6) When the Group disposes of an associate and loses its significant influence on such associate, for all amounts previously recognized in other comprehensive profit or loss related to the associate, the accounting treatment is the same as if the Company directly disposes of the relevant assets or liabilities, that is, if the benefit or loss previously recognized as other comprehensive profit or loss will be reclassified as profit or loss when disposing of the relevant assets or liabilities, when control of the associate is lost, the benefit or loss will be reclassified from equity to profit or loss. If there is still a significant influence on the associates, only the amount previously recognized in other comprehensive profit and loss shall be transferred out in an above-mentioned manner on a proportionate basis.

- (7) When the Group disposes of an associate, if it loses its significant influence on such associate, it will transfer the capital surplus related to the associate to profit or loss; if it still has a significant influence on the associate, it will be transferred to profit or loss according to the proportion of disposal.

11. Property, plant and equipment

- (1) 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.
- (2) 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.
- (3) 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 assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets 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:

Buildings	5~60 years
Machine and equipment	5~21 years
Utilities equipment	5~15 years
Transportation equipment	2~12 years
Miscellaneous equipment	5~35 years

- (4) 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 asset. 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.

12. Leases

- (1) At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

A. The Group as a lessee

Except for leases of low-value underlying assets and short-term leases, which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and liabilities on the lease starting date for other leases.

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. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented as a separate line item in the balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, please refer to Note 4.14 for the accounting policies for investment properties.

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 initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments that depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the assessment of an option to purchase an underlying asset, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented as a separate line item in the balance sheets.

If there is any variable rent in the lease agreement that does not depend on an index or rate, it is recognized as expense in the period in which it occurs.

B. The Group as a 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 any lease includes land and building elements, the Group will separately evaluate the classification of each element as financial lease or operating lease, and the lease payment (including any lump-sum front-end payment) is allocated to the land and buildings according to the relative proportion of the fair value of the land and building lease rights on the date of signing of the contract. If the lease payments cannot be reliably allocated to such two elements, the entire lease will be classified as the financial lease,

but if both elements clearly meet the criteria for the operating lease, the entire lease will be classified as the operating lease.

13. 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 also included right-of-use assets that meet the definition of investment property.

An owned investment property is initially measured at its cost, including transaction costs, and subsequently measured using the fair value model. Any gain or loss arising from a change in the fair value of an investment property is recognized in profit or loss in the period in which it arises.

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost for subsequent accounting is its fair value at the date of change in use.

When an owner-occupied property becomes an investment property carried at fair value, any difference at that date between the carrying amount and the fair value is recognized in the comprehensive income, accumulated in revaluation surplus as a component of other equity, and is transferred to retained earnings directly upon derecognition.

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

14. 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.

15. 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. The discount

rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as interest expense. Provisions are not recognized for future operating losses.

16. Employee benefits

(1) 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.

(2) Pension

A. Defined contribution plan

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 from the plan or a reduction in future contributions to the plan.

B. Defined benefit plan

(A) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current or prior period(s). 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 estimated 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.

(B) Remeasurements of defined benefit plans are recognized in other comprehensive income as incurred and are recorded as retained earnings.

(C) Past-service costs are recognized immediately in profit or loss.

(3) Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

(4) Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or when it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date are discounted to their present value.

17. Capital and treasury stocks

(1) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.

(2) Treasury stocks

The Group's treasury shares that have not been disposed or retired are stated at cost and shown as a deduction in stockholders' equity. When treasury shares 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 shares is calculated using the weighted-average approach in accordance with the purpose of repurchase.

Upon retirement, treasury shares 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 shares 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

shares in excess of the carrying value is credited to capital surplus from the same class of treasury share transactions.

18. Income tax

- (1) The tax expense for the period comprises current and deferred tax. Income taxes are recognized in profit or loss, except for income taxes that relate to items that are recognized in other comprehensive profit or loss or directly in equity, respectively.
- (2) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. 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. An additional tax calculated in accordance with Income Tax Act of the Republic of China 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.
- (3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred 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 nor taxable profit or loss. 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 tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- (4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses, and unused tax credits can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

- (5) 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-period income 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.
- (6) A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employee training, and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

19. Revenue recognition

The Group applies the following steps for revenue recognition:

- (1) Identify the customer contracts;
- (2) Identify the performance obligations;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to performance obligations; and
- (5) Revenue is recognized when (or as) performance obligations are satisfied.

The Group identifies performance obligations in a contract with the customer, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are 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.

Sale of goods

The Group recognizes revenue when control of the product is transferred to the customer. The transfer of control of the product means that the product has been delivered to the customer and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery refers to the point at which the customer has accepted the product in accordance with the transaction conditions, the risk of obsolescence and loss has been transferred to the customer, and the Group has objective evidence that all acceptance conditions have been satisfied.

The Group recognized the accounts receivable when the products are delivered since the Group is entitled to receive the consideration at that point.

For processing subcontract, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when subcontracting.

Provision of services

The services provided by the Group are mainly OEM services entrusted by customers, and the revenue is recognized when the promised services are delivered to the customers (when the customers obtain control of the assets) and there is no subsequent obligation.

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.

To the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. Except for those qualifying capitalization, all other borrowing costs are recognized as an expense in profit or loss as incurred.

21. Government grants

Government grants are recognized at fair value once it is reasonably convinced that the Group complies with the conditions for subsidies and will be receiving the subsidies.

Government grants are recognized in profit or loss on a systematic basis over the period in which they are intended to compensate the associated costs that are recognized as an expense by the Group. Government grants are recognized in profit or loss during the period in which they can be received if they are used to compensate for expenses or losses incurred, or to provide immediate financial support to the Group and have no future related costs.

For government loans obtained by the Group with interest rates below the market, the difference between the loan amount received and the fair value of the loans calculated based on the prevailing market interest rate is recognized as a government grant.

22. Operating segments

An operating segment is a constituent unit of an enterprise that engages in business activities that may generate income and incur expenses (including income and expenses arising from transactions with other constituent units within the enterprise). The operating results of the operating segment are regularly reviewed by the operating decision-maker of the enterprise to make decisions on resource allocation to the department and evaluate the performance of the department, with separate financial information.

(5) Major Sources of Critical Accounting Judgments, Estimates and Uncertainties

The Group considers the economic impact of government policies and regulations, inflation and fluctuations in market interest rates as part of its critical accounting estimates and reviews underlying assumptions and estimates on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period in which the estimate is revised if the revision affects both current 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:

1. Important judgments on the adoption of accounting policies

(1) Judgment on business model of financial asset classification

The Group evaluates the business model to which financial assets belong based on the level that reflects the joint management of financial asset groups to achieve specific business objectives. This assessment considers all relevant evidence, including how the asset's performance is measured, the risks affecting performance, and how the compensation of relevant managerial officers is determined, and requires the use of judgment. The Group continues to assess whether its business model judgment is appropriate, and for such purpose, monitors financial assets measured at amortized cost and debt instrument investments measured at fair value through other comprehensive profit and loss that are delisted before the maturity date to understand the reasons for its disposal of assess whether the disposition is consistent with the objectives of the business model. If it is found that the business model has changed, the Group will reclassify financial assets in accordance with the provisions of IFRS 9, and prospectively apply from the date of reclassification.

(2) Revenue recognition

A. The Group makes judgement in accordance with IFRS 15 to determine whether it has obtained or not the control of specific products or services before transferring them to the customer, and will be the principal or agent in the transaction. If it is determined as a transaction as an agent, the net transaction amount will be recognized as revenue.

In any of the following circumstances, the Group shall be the principal:

- (A) The Group obtains control of the products or other assets from the other party before the products or other assets are transferred to the customers; or
- (B) The Group controls the right to provide labor services by the other party, so as to obtain the ability to instruct that party to provide services to customers on behalf of the Company; or
- (C) The Group obtains control of products or services from the other party to combine with other products or services to provide specific products or services to customers.

B. The indicators adopted to assist in judging whether the Group controls the specific products or services before transferring them to customers include (but not limited to):

- (A) The Group is primarily responsible for fulfilling the commitment to provide specific products or services.
- (B) The Group assumes inventory risk before and after the transfer of specific products or services to customers.
- (C) The Group has the discretion to determine the price.

(3) Lease period

When determining the lease period, the Group considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) the option, including all expected changes in facts and circumstances from the starting date to the date when the option is exercised. Factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made (or expected to be made) during the contract period, and the importance of the underlying asset to the Group's operations, among others. When major events or major changes in circumstances occur within the Group's control, the lease period shall be reassessed.

(4) Judgment of significant influence on associates

Situations where the investee holds less than 50% of the voting shares and is the single largest shareholder, but only has significant influence without control or joint control:

- A. As stated in Note (6)10 "Investments Accounted for Using Equity Method", the Group holds 44.76% of the voting rights of Sunny Logistics Co., Ltd. and is the single principal shareholder of Sunny Logistics Co., Ltd. However, the decision-making unit of Sunny Logistics Co., Ltd.'s relevant activities is the board of directors, and the Group has not been elected as a director of Sunny Logistics Co., Ltd., and hence it cannot instruct the business decision-making. Therefore, the Group only has significant influence but no control over Sunny Logistics Co., Ltd., so it is listed as an associate of the Group.
- B. As stated in Note (6)10 "Investments Accounted for Using Equity Method", the Group holds 44.91% of the voting rights of Lily Construction Co., Ltd. and is the single principal shareholder of Lily Construction Co., Ltd. However, the decision-making unit of Lily Construction Co., Ltd.'s relevant activities is the board of directors, and the Group has not been elected as a director of Lily Construction Co., Ltd., and hence it cannot instruct the business decision-making. Therefore, the Group only has significant influence but no control over Lily Construction Corp., so it is listed as an associate of the Group.
- C. As stated in Note 6(10) "Investments Accounted for Using Equity Method", the Group holds 46.27% of the voting rights in Giantex Textile Corporation and is the single largest shareholder of Giantex Textile Corporation. However, the decision-making unit of Giantex Textile Corporation's relevant activities is the board of directors, and the Group has not been elected as a director of Giantex Textile Corporation, and hence it cannot instruct the business decision-making. Therefore, the Group only has significant influence but no control over Giantex Textile Corporation, so it is listed as an associate of the Group.

2. Important accounting estimates and assumptions

(1) Revenue recognition

Sales revenue is recognized when performance obligations are met by transferring control of goods or services to customers, net of estimated related sales returns, discounts and other similar allowances. These sales returns and discounts are estimated based on historical records and other known reasons, and the Group regularly reviews the rationality of the estimates.

(2) Impairment of financial assets

Estimated impairments on accounts receivable, debt instrument investments and financial guarantee contracts are based on the Company's assumptions about default rates and expected loss rates. The Company considers historical experience, current market conditions and forward-looking information to formulate assumptions and select inputs for impairment assessments. If the actual future cash flow is less than expected, significant impairment losses may arise.

(3) Fair value measurement and evaluation process

When there is no market quotation for the assets and liabilities measured by fair value in the active market, the Company will decide whether to outsource the valuation and determine the appropriate fair value evaluation technology according to relevant laws and regulations or based on judgments. If the level 1 input value cannot be obtained when estimating the fair value, the Group takes reference to the analysis of the investee's financial status and operating results, recent transaction prices, quotations of the same equity instruments in non-active markets, and quotations of similar instruments in active markets and comparable company valuation multiples, etc. to determine the input values. If the actual change in the input value in the future is different from the expectation, changes in fair value may occur.

The Group regularly updates various input values according to market conditions to monitor whether the fair value measurement is appropriate.

(4) Impairment assessment of tangible and intangible assets

In the process of asset impairment assessment, the Group needs to rely on subjective judgments and based on asset usage patterns and industry characteristics to determine the independent cash flow of a specific asset group, the duration of assets, and potential future income and expenses. Any change in estimates due to changes in economic conditions or the Company's strategy may result in material impairment in the future.

(5) Impairment testing of investment using the equity method

When there is any indication of impairment that an investment using the equity method may have been impaired and hence the book value cannot be recovered, the Group immediately assesses the impairment of the investment. The Group evaluates the recoverable amount based on the discounted value of the expected future cash flow of the invested company or the discounted value of the expected cash dividend received and the future cash flow generated by disposing of the investment, and analyzes the rationality of the relevant assumptions.

(6) Realization of deferred tax assets

Deferred income tax assets are only recognized when it is highly likely that there will be sufficient taxable income in the future for the use of deductible temporary differences. When assessing the realizability of deferred income tax assets, management must involve significant accounting judgments and estimates, including assumptions such as expected future sales revenue growth and profit margins, tax holidays, available income tax credits, and tax planning. Any changes in the global economic environment, industry environment, and laws and regulations may cause major adjustments to deferred income tax assets.

(7) Evaluation of inventory

Since inventories shall be priced at the lower of cost and net realizable value, the Group will adopt judgment and estimation to determine the net realizable value of inventories on the date of balance sheet. The Group evaluates the amount of inventory due to normal wear and tear, obsolescence or of no market value on the date of balance sheet, and writes off the inventory cost to the net realizable value.

(8) Calculation of net defined benefit liabilities

When calculating the present value of a defined benefit obligation, the Group will adopt judgment and estimation to determine the relevant actuarial assumptions on the date of balance sheet, including the discount rate and the expected return rate of project assets. Any change in actuarial assumptions may significantly affect the amount of the Company's defined benefit obligations.

(9) Financial assets - Fair value measurement of stocks of listed/OTC companies without an active market

The fair value of listed/OTC company stocks held by the Company without an active market is mainly estimated by referring to recent financing activities, evaluations of companies of the same type, company technology development, market conditions and other economic indicators. Any changes in judgments and estimates may affect the measurement of its fair value. For the description of the fair value of financial instruments, please refer to Note (12)3(2).

(6) Description of Significant Accounts

1. Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash	\$ 703	\$ 697
Demand deposit	22, 919	13, 284
Checking deposits	30, 385	30, 130
Foreign currency deposits	26, 750	22, 524
Time deposits	43, 525	41, 448
Total	<u>\$ 124, 282</u>	<u>\$ 108, 083</u>

(1) The Group deposits its cash and cash equivalents at several financial institutions that have high credit quality to diversify its risk. Therefore, the Group considers its cash and cash equivalents to have low credit risk.

(2) The Group has no cash and cash equivalents pledged to others.

2. Financial assets at FVTPL

Item	December 31, 2024	December 31, 2023
Mandatorily measured at FVTPL		
Beneficiary certificates - funds	\$ 4, 910	\$ -
Listed/OTC stocks	42, 846	16, 855
Total	<u>\$ 47, 756</u>	<u>\$ 16, 855</u>

(1) The Group's recorded net (loss) gain in 2024 and 2023 are \$20,091 thousand and \$2,396 thousand, respectively.

(2) The Group does not pledge any financial assets at FVTPL to others.

(3) For information on credit risk management and evaluation methods, please refer to Note (12).

3. Financial assets at FVTOCI

Item	December 31, 2024	December 31, 2023
Current:		
Equity instruments		
Domestic listed/OTC stocks	\$ 10,698	\$ 10,698
Valuation adjustment	(2,612)	(2,108)
Total	<u>\$ 8,086</u>	<u>\$ 8,590</u>
Noncurrent:		
Equity instruments		
Domestic listed/OTC stocks	\$ 6,407	\$ 22,885
Domestic non-listed/non-OTC stocks	127,518	87,161
Subtotal	133,925	110,046
Valuation adjustment	28,431	73,109
Total	<u>\$ 162,356</u>	<u>\$ 183,155</u>

- (1) The Group elected to classify equity investment in China Wire & Cable Co., Ltd. as financial assets at FVTOCI since these instruments are held for the purpose of stably collecting dividends. The fair values of these investments as of December 31, 2024 and 2023 are \$8,086 thousand and \$8,590 thousand, respectively.
- (2) Investments in common shares of Evertex Fabrinology Ltd. are held for medium-to-long term strategic purposes and are expected to be profitable through long-term investments. Accordingly, the management elected to designate these equity investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.
- (3) For information on credit risk management and evaluation methods, please refer to Note (12).

4. Notes receivable, net

Item	December 31, 2024	December 31, 2023
Notes receivable		
Incurred from operations	\$ 8,775	\$ 3,654
Less : Loss allowance	(59)	(72)
Notes receivable, net	<u>\$ 8,716</u>	<u>\$ 3,582</u>

- (1) The Group's notes receivable have not been discounted or pledged.
- (2) Please refer to the following net accounts receivable for the relevant disclosure of allowance loss on notes receivable.

5. Accounts receivable, net

Item	December 31, 2024	December 31, 2023
Accounts receivable	\$ 131, 919	\$ 109, 408
Less : Loss allowance	(25, 240)	(24, 548)
Accounts receivable, net	<u>\$ 106, 679</u>	<u>\$ 84, 860</u>

- (1) The Group's accounts receivable that are not overdue and have not been impaired all meet the credit standards set based on the counterparty's industrial characteristics, business scale, and profit-making status, and the average credit period is 90-120 days.
- (2) Please refer to Note (12) for the relevant credit risk management and assessment methods.
- (3) The Group's accounts receivable have not been pledged.
- (4) The Group adopts a simplified method to recognize the allowance loss of notes receivable and accounts receivable based on the expected credit loss during the duration. The expected credit loss during the duration is based on considering the customer's past default record and current financial and economic conditions, while considering the industry outlook to adjust the loss rate established by historical and realistic information. The Group measures the allowance loss of notes receivable and accounts (including other receivables, collections and related parties) according to the reserve matrix as follows :

December 31, 2024	Expected credit loss rate	Total carrying amount	Allowance for loss (lifetime expected credit loss)	Amortized cost
Not overdue	-	\$ 104, 192	\$ -	\$ 104, 192
Overdue 0-30 days	1% or above	26, 255	263	25, 992
Overdue 31-90 days	5% or above	5, 989	299	5, 690
Overdue for more than 91 days	20% or above	48, 627	38, 657	9, 970
Total		<u>\$ 185, 063</u>	<u>\$ 39, 219</u>	<u>\$ 145, 844</u>

December 31, 2023	Expected credit loss rate	Total carrying amount	Allowance for loss (lifetime expected credit loss)	Amortized cost
Not overdue	-	\$ 93, 342	\$ -	\$ 93, 342
Overdue 0-30 days	1% or above	17, 232	172	17, 060
Overdue 31-90 days	5% or above	7, 004	350	6, 654
Overdue for more than 91 days	20% or above	45, 003	37, 799	7, 204
Total		<u>\$ 162, 581</u>	<u>\$ 38, 321</u>	<u>\$ 124, 260</u>

(5) Changes in notes receivable and allowance for receivables (including other receivables and collections) are as follows :

Item	2024	2023
Beginning balance	\$ 38,321	\$ 37,546
Plus : Provision for impairment loss	–	1,374
Less: Write-off due to inability to recover	–	–
Changes in consolidated entities	–	–
Foreign currency conversion difference	898	(599)
Ending balance	<u>\$ 39,219</u>	<u>\$ 38,321</u>

The Group does not hold any collateral or other credit enhancements over these accounts receivable.

(6) The Group's impairment losses on accounts receivable in 2024 and 2023 are \$0 thousand and \$1,374 thousand, respectively.

6. Other receivables, net

Item	December 31, 2024	December 31, 2023
Tax refund receivable	\$ 77	\$ 275
Other receivables - other	19,203	14,658
Less : Loss allowance	(\$ 7,621)	(\$ 7,402)
Net amount	<u>\$ 11,659</u>	<u>\$ 7,531</u>

7. Inventories

Item	December 31, 2024	December 31, 2023
Raw materials	\$ 15,716	\$ 19,531
Supplies	15	3
Work in progress	2,139	3,765
Finished goods	8,690	17,415
Merchandise	115	1,377
Total	<u>\$ 26,675</u>	<u>\$ 42,091</u>

- (1) Inventories-related (loss) gains recognized as cost of sales of products in the current period are as follows :

	2024	2023
Costs of sales of inventories	\$ 127,486	\$ 128,970
Inventories price loss (recovery gain)	7,113	4,296
Warehousing costs	356,943	286,055
Total operating costs	<u>\$ 491,542</u>	<u>\$ 419,321</u>

- (2) In 2024 and 2023, the Group raised the price of certain products and cleared part of the inventories, or reduced cost to the net realizable value, the resulted inventories price loss (recovery gain) were \$7,113 thousand and \$4,296 thousand, respectively.

- (3) The Group does not pledge the inventories.

8. Land and buildings for sale

Item	December 31, 2024	December 31, 2023
Buildings and parking spaces for sale	\$ 3,060	\$ 3,060
Construction land	1,858	1,858
Total	4,918	4,918
Less : Loss allowance for price decline	-	-
Net amount	<u>\$ 4,918</u>	<u>\$ 4,918</u>

- (1) The capitalized interest amount for the premises for sale and construction land in both 2024 and 2023 was both \$ 0 thousand.

- (2) The Company does not pledge any of the for-sale land and buildings to others.

9. Other financial assets - current

Item	December 31, 2024	December 31, 2023
Restricted time deposit (within one year)	\$ 177,500	\$ 177,120
Reserved deposit for repayment of debts	2,436	2,703
Total	<u>\$ 179,936</u>	<u>\$ 179,823</u>

Please refer to Note (8) for information on providing guarantees with other financial assets - current.

10. Investments accounted for using equity method

- (1) Investment in subsidiaries : None.

(2) Investment in associates :

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding %	Carrying amount	Shareholding %
Sunny Logistics Co., Ltd.	\$ 295,436	44.76	\$ 272,559	44.76
Lily Construction Co., Ltd.	175,443	44.91	174,506	44.91
Giantex Textile Corporation	18,746	46.27	14,532	46.27
Total	<u>\$ 489,625</u>		<u>\$ 461,597</u>	

(3) The shares of individually insignificant associates of the Group are summarized as follows :

	2024	2023
Share :		
Net income	\$ 8,028	\$ 3,253
Other comprehensive income or loss (after tax)	19,806	71,541
Total comprehensive income (loss)	<u>\$ 27,834</u>	<u>\$ 74,794</u>

11. Property, plant and equipment

Item	December 31, 2024	December 31, 2023
Land	\$ 2,128,058	\$ 2,103,968
Buildings	2,925,158	2,155,374
Machines and equipment	173,718	173,718
Other equipment	1,233,928	946,359
Equipment to be inspected and unfinished constructions	167,630	561,008
Total costs	6,628,492	5,940,427
Less: Accumulated depreciation	(1,111,125)	(1,006,044)
Total	<u>\$ 5,517,367</u>	<u>\$ 4,934,383</u>

Costs	Land	Buildings	Machines and equipment	Other equipment	Equipment to be inspected and unfinished constructions	Total
Balance as of January 1, 2024	\$ 2,103,968	\$ 2,155,374	\$ 173,718	\$ 946,359	\$ 561,008	\$ 5,940,427
Addition	24,090	2,766	–	2,159	472,867	501,882
Disposal	–	–	–	(2,991)	–	(2,991)
Reclassification	–	767,018	–	288,379	(866,245)	189,152
Effects from foreign exchange difference	–	–	–	22	–	22
Balance as of December 31, 2024	<u>\$ 2,128,058</u>	<u>\$ 2,925,158</u>	<u>\$ 173,718</u>	<u>\$1,233,928</u>	<u>\$ 167,630</u>	<u>\$ 6,628,492</u>

Accumulated depreciation and impairment							
Balance as of January 1, 2024	\$	–	\$ 519,413	\$ 173,614	\$ 313,017	\$ –	\$ 1,006,044
Depreciation		–	67,492	104	38,847	–	106,443
Disposal		–	–	–	(1,375)	–	(1,375)
Effects from foreign exchange difference		–	–	–	13	–	13
Balance as of December 31, 2024	\$	–	\$ 586,905	\$ 173,718	\$ 350,502	\$ –	\$ 1,111,125

Costs	Land	Buildings	Machines and equipment	Other equipment	Equipment to be inspected and unfinished constructions	Total
Balance as of January 1, 2023	\$ 2,101,323	\$ 1,899,367	\$ 193,325	\$ 888,838	\$ 290,050	\$ 5,372,903
Addition	2,645	44,745	–	12,531	520,969	580,890
Disposal	–	–	(19,607)	(31,843)	–	(51,450)
Reclassification	–	211,262	–	76,847	(250,011)	38,098
Effects from foreign exchange difference	–	–	–	(14)	–	(14)
Balance on 2023.12.31	\$ 2,103,968	\$ 2,155,374	\$ 173,718	\$ 946,359	\$ 561,008	\$ 5,940,427

Accumulated depreciation and impairment							
Balance as of January 1, 2023	\$	–	\$ 460,526	\$ 192,959	\$ 310,069	\$	– \$ 963,554
Depreciation		–	58,887	261	34,799		– 93,947
Disposal		–	–	(19,606)	(31,844)		– (51,450)
Effects from foreign exchange difference		–	–	–	(7)		– (7)
Balance on 2023.12.31	\$	–	\$ 519,413	\$ 173,614	\$ 313,017	\$	– \$ 1,006,044

- (1) The property, plant and equipment of the Group are mainly for self-use purposes.
- (2) The additions in this period and the cash flow acquisition of property, plant and equipment are adjusted as follows :

Item	2024	2023
Increase of property, plant and equipment	\$ 501,882	\$ 580,890
Increase (decrease) of payable equipment fees	(1,655)	(35,040)
Cash paid for purchase of property, plant and equipment	\$ 500,227	\$ 545,850

- (3) In 2024 and 2023, the capitalized amounts of unfinished construction and prepaid equipment interests of property, plant and equipment were \$13,541 thousand and \$7,505 thousand, respectively.

- (4) There is no sign of impairment of property, plant and equipment, so impairment assessment has not been carried out.
- (5) As of December 31, 2024 and 2023, due to legal restrictions, the Group is not yet able to register in the name of the Group, and the land temporarily registered in the name of the individual is \$9,691 thousand. However, in order to ensure the rights and interests, the Company obtained \$19,506 thousand of guarantee notes. On August 12, 2024, the above-mentioned land, which was temporarily registered in the name of an individual due to legal restrictions and could not be registered in the name of a company, was transferred to the Company's name and the guarantee notes were returned in full.
- (6) Please refer to Note (8) for information on providing guarantees with property, plant and equipment.

12. Lease agreements

(1) Right-of-use assets

Item	December 31, 2024	December 31, 2023
Transportation equipment	\$ 17,707	\$ 12,379
Less : Accumulated depreciation	(10,876)	(5,651)
Accumulated impairment	–	–
Total	<u>\$ 6,831</u>	<u>\$ 6,728</u>

Costs	Transportation equipment
Balance as of January 1, 2024	\$ 12,379
Increase this period	5,328
De-recognition in this period	–
Balance as of December 31, 2024	<u>\$ 17,707</u>
Accumulated depreciation and impairment	Transportation equipment
Balance as of January 1, 2024	\$ 5,651
Depreciation expense	5,225
De-recognition in this period	–
Recognition (reversal) of impairment loss	–
Balance as of December 31, 2024	<u>\$ 10,876</u>

Costs	Transportation equipment
Balance as of January 1, 2023	\$ 9,442
Increase this period	2,937
De-recognition in this period	–
Balance as of December 31, 2023	\$ 12,379
Accumulated depreciation and impairment	Transportation equipment
Balance as of January 1, 2023	\$ 1,525
Depreciation expense	4,126
De-recognition in this period	–
Recognition (reversal) of impairment loss	–
Balance as of December 31, 2023	\$ 5,651

(2) Lease liabilities

Item	December 31, 2024	December 31, 2023
Carrying amount of the lease liability		
Current	\$ 4,410	\$ 4,148
Noncurrent	\$ 2,260	\$ 2,419

The discount rate range for the lease liability is as follows :

	December 31, 2024	December 31, 2023
Transportation equipment	1.37%–2.00%	1.37%–1.86%

For the maturity analysis of lease liabilities, please refer to Note (12)2.

(3) Important lease activities and terms

The Company leases some other equipment for use as business office. The lease period is from 2022 to 2027, with the right to renew the lease upon expiration of the lease period. The Company has included the lease renewal right after the lease period expires into the lease liabilities. In addition, according to the contract, without the consent of the lessor, the Company is not allowed to sublease the subject asset of the lease to others. As of December 31, 2024, there was no sign of impairment of the right-of-use asset, so no impairment assessment was performed.

(4) Sub-leasing

The Group subleases the leased land use rights and its above-ground factory buildings in Kunshan City, Jiangsu Province, China to other companies through operating leases. The relevant right-of-use assets are listed as investment property. Please refer to Note (6)13 Notes of "Investment property". The amount related to

the above-mentioned right-of-use assets does not include the right-of-use assets that meet the definition of investment property.

(5) Other lease information

A. Please refer to Note (6)13 "Investment property" for the Group's agreement on leasing investment property under operating lease.

B. In 2024 and 2023, the Group chose to apply the recognition exemption for short-term leases and low-value asset leases, and did not recognize the relevant right-of-use assets and lease liabilities for these leases.

C. The Group's lease information is as follows :

Item	2024	2023
Expenses relating to short-term leases	\$ 2, 129	\$ -
Low-value asset lease expenses	\$ 438	\$ 808
Variable lease payments not included in measurement of lease liabilities	\$ -	\$ -
Lease cash outflow amount (Note)	(\$ 7, 914)	(\$ 4, 981)

(Note) : It includes the principal payment of lease liabilities in the current period.

13. Investment property

	Buildings	Right-of-use assets	Total
Balance as of 2024.1.1	\$ 436, 582	\$ 451, 880	\$ 888, 462
Increased in this period	-	-	-
Changes in fair value	(33, 020)	9, 983	(23, 037)
Net exchange differences	14, 596	15, 860	30, 456
Balance as of 2024.12.31	\$ 418, 158	\$ 477, 723	\$ 895, 881

	Buildings	Right-of-use assets	Total
Balance as of 2023.1.1	\$ 423, 834	\$ 482, 417	\$ 906, 251
Increased in this period	2, 386	-	2, 386
Changes in fair value	20, 210	(19, 850)	360
Net exchange differences	(9, 848)	(10, 687)	(20, 535)
Balance on 2023.12.31	\$ 436, 582	\$ 451, 880	\$ 888, 462

(1) The subsidiary Kunshan Lily Textile Co., Ltd. decided on July 18, 2018 to stop production and end its own use of the factory building, and lease the factory building. According to the provisions of International Accounting Standards No.

40 "Investment property", land use rights and building construction were reclassified as Investment property and measured at fair value of \$1,021,066 thousand, and recognized as real estate revaluation appreciation of \$912,235 thousand. The right-of-use asset in the Investment property is the land-use right leased by the Group in Kunshan City, Jiangsu Province, China, together with the houses and buildings on the land, which are sub-leased to other enterprises in the form of operating lease.

(2) Rental income and direct operating expenses of investment property :

Item	2024	2023
Rental income from investment property	\$ 79, 537	\$ 68, 890
Direct operating expenses incurred by investment property that generates rental income of the current period		
Investment property that generates rental income of the current period	\$ 4, 199	\$ 3, 720
Direct operating expenses not incurred by investment property that generates rental income of the current period	\$ -	\$ -

(3) The leasing period of the Investment property lease is 5 ~ 10 years, and 3 months before the expiry of the lease period, a written notice is required to renew the lease, and a new lease contract is signed, otherwise it will be deemed as a waiver of the lease renewal.

The lessee shall adjust the rent according to the market rent when exercising the right to renew the lease. At the end of the lease period, the lessee does not have preferential purchase rights for the asset.

(4) The total amount of lease payments that the Group will receive in the future for leasing investment property under operating leases is as follows :

	December 31, 2024	December 31, 2023
Year 1	\$ 13, 410	\$ 47, 520
Year 2	62, 580	57, 240
Year 3	62, 580	60, 480
Year 4	64, 815	60, 480
Year 5	65, 262	62, 424
More than 5 years	273, 385	357, 408
	\$ 542, 032	\$ 645, 552

(5) Fair value of investment property is as follows :

	December 31, 2024	December 31, 2023
Outsourced appraisal	\$ 895, 881	\$ 888, 462

The fair value of investment property on December 31, 2024 and 2023 was appraised on December 31, 2024 and 2023 by licensed as a real estate appraiser in Taiwan.

- (6) Except for undeveloped land, the fair value of investment property is evaluated using the income method, and its important assumptions are as follows :

	December 31, 2024	December 31, 2023
Estimated future cash inflows	\$ 1, 355, 368	\$ 1, 384, 650
Estimated future cash outflows	(139, 563)	(141, 800)
Estimated future net cash inflows	\$ 1, 215, 805	\$ 1, 242, 850
Discount rate	4. 45%~7. 0%	4. 85%~7. 4%

- A. The investment property is located in the Jichiang Road, Shipu Town, Kunshan City, Jiangsu Province, China, with a total of 13 ground buildings and land use rights, such as single factory building and duplex factory building. Currently, part of it is leased out as a business lease, and it will be generated in 2024 and 2023. The rental income was \$79,537 thousand and \$68,890 thousand, respectively.
- B. The fair value of the investment property is appraised by the Chengzheng Cross-Strait Real Estate Appraiser Firm based on the company's actual rental price using the income method. The Company's actual rental price is within the rental price range of similar comparison targets in the market.
- C. The future cash inflow expected from Investment property includes rental income, deposit interest income and end-of-period disposal value, rental income is estimated based on the Group's current rent and taking into account the annual growth rate of future rent, the benefit analysis period is estimated based on the service life of the land use right of the local government in China, and the deposit interest income is estimated at an interest rate of 1.35% per annum. The expected future cash outflow of Investment property includes land value tax, house tax, insurance premium, maintenance fee and other expenses. These expenses are estimated based on the current expenditure level and take into account the adjustment of the announced land price in the future and the tax rate stipulated in the house tax regulations.
- D. The discount rate is determined by taking into account the People's Bank of China's 2-year time deposit rate of 1.45% and adding 4.5% ~ 7% of the risk premium related to the investment property.

E. Please refer to Note (8) for information on providing guarantee with investment property.

14. Other noncurrent assets

Item	December 31, 2024	December 31, 2023
Prepayment for equipment	\$ 5, 138	\$ 35, 582
Refundable deposits	15, 767	12, 617
Overdue receivables	6, 299	6, 299
Less : Loss allowance - overdue receivables	(6, 299)	(6, 299)
Long-term prepayments	1, 015	4, 230
Total	<u>\$ 21, 920</u>	<u>\$ 52, 429</u>

15. Short-term borrowings

Nature of Borrowing	December 31, 2024	
	Amount	Interest rate
Mortgage loan	\$ 1, 049, 500	0. 5%~3. 5%
Borrowing for purchasing materials	1, 514	2. 078%
Total	<u>\$ 1, 051, 014</u>	

Nature of Borrowing	December 31, 2023	
	Amount	Interest rate
Mortgage loan	\$ 761, 732	1. 943%~5. 75%
Borrowing for purchasing materials	967	6. 8922%
Total	<u>\$ 762, 699</u>	

For short-term borrowings, the Group provides some other financial assets and property, plant and equipment as guarantees for loans, please refer to Note (8).

16. Bills and notes payable

Item	December 31, 2024	December 31, 2023
Commercial papers payable	\$ 100, 000	\$ -
Less : Unamortized discount	(70)	-
Net amount	<u>\$ 99, 930</u>	<u>\$ -</u>
Interest rates	<u>1. 72%</u>	<u>-</u>

17. Provisions - current

Item	December 31, 2024	December 31, 2023
Employee benefits	<u>\$ 3, 942</u>	<u>\$ 3, 324</u>

Item	2024	2023
	Employee benefits	Employee benefits
Balance as of January 1	\$ 3, 324	\$ 3, 018
Increased provisions in the current period	3, 942	3, 324
Utilized provisions in the current period	(3, 324)	(3, 018)
Balance as of December 31	<u>\$ 3, 942</u>	<u>\$ 3, 324</u>

Allowance for employee benefits is the valuation of employees' existing short-term leave entitlements.

18. Long-term borrowings and long-term liabilities due within one year

Loaning institutions	Maturity Date	December 31, 2024	December 31, 2023	Repayment method
The Company				
Sunny Bank	2031.07.15	\$ 47, 000	\$ –	Note (1)
Sunny Bank	2028.06.18	–	591, 000	Note (2)
Sunny Bank	2027.07.15	228, 000	–	Note (3)
Sunny Bank	2027.12.30	390, 000	450, 000	Note (4)
Sunny Bank	2030.10.15	–	48, 000	Note (5)
Sunny Bank	2024.06.18	–	532, 000	Note (6)
Sunny Bank	2025.04.12	93, 000	–	Note (7)
Bank of Taiwan	2030.12.29	605, 571	–	Note (8)
Bank of Taiwan	2034.12.02	126, 020	–	Note (9)
Fubon Bank	2031.01.15	–	685, 000	Note (10)
Taiwan Business Bank	2024.01.06	–	250, 000	Note (11)
Taiwan Business Bank	2024.03.02	–	530, 000	Note (12)
Taiwan Business Bank	2031.07.31	770, 000	–	Note (13)
Taiwan Business Bank	2031.07.31	640, 000	–	Note (14)
Taiwan Business Bank	2031.07.31	65, 833	–	Note (15)
Sub-subsidiary				
Sunny Leasing	2025. 09. 18	–	32, 184	Note (16)
Rural Commercial Bank	2039. 04. 08	303, 950	191, 588	Note (17)
Total		<u>3, 269, 374</u>	<u>3, 309, 772</u>	
Less: Long-term liabilities due within one year		<u>(324, 980)</u>	<u>(1, 460, 049)</u>	
Long-term borrowings		<u>\$ 2, 944, 394</u>	<u>\$ 1, 849, 723</u>	
Interest rates		<u>2.05%~4.20%</u>	<u>1.95%~6.50%</u>	

- (1) The Company borrowed a mid-to-long term loan of \$48,000 thousand from Sunny Bank. The repayment method is starting the repayment each month from July 15, 2024 for a consecutive 84 installments, repays \$200 thousand of principal in each of the 1st~83rd installments, and the remaining \$31,400 thousand will be paid off in lump-sum manner in the 84th installment.

- (2) The Company borrowed a mid-to-long term loan of \$600,000 thousand from Sunny Bank. The repayment method is starting the repayment each month (regarded as one installment) from June 18, 2021 for a consecutive 84 installments, pays interest in the 1st~24th installments without repaying the principal, repays \$1,000 thousand fixed amount of principal in each of the 25th~83rd installments, and the remaining \$541,000 thousand will be paid off in lump-sum manner in the 84th installment.
- (3) The Company borrowed a mid-to-long term loan of \$228,000 thousand from Sunny Bank, pays interests monthly, the repayment method is repayment in lump-sum manner on July 15, 2027.
- (4) The Company borrowed a mid-to-long term loan of \$600,000 thousand from Sunny Bank. The repayment method is starting the repayment each month (regarded as one installment) from December 30, 2020 for a consecutive 84 installments, and repays interest only for the 1st~6th installments, and the 7th~83rd installments repays fixed \$5,000 thousand of principal in each installment, and the remaining \$215,000 thousand will be paid off in lump-sum manner in the 84th installment.
- (5) The Company borrowed a mid-to-long term loan of \$48,000 thousand from Sunny Bank. The repayment method is starting the repayment each month from October 5, 2023 for a consecutive 84 installments, pays interest in the 1st~24th installments without repaying the principal, repays \$200 thousand fixed amount of principal in each of the 25th~83rd installments, and the remaining \$36,200 thousand will be paid off in lump-sum manner in the 84th installment. The Company repaid this loan in advance on July 15, 2024.
- (6) The Company borrowed a mid-to-long term loan of \$514,000 thousand from Sunny Bank. The repayment method is repayment in lump-sum manner on June 18, 2024. The Company repaid \$58,000 thousand in advance in October 2023 and successively increased borrowing of \$190,000 thousand from September 2023 to December 2023, increased borrowing of \$10,000 thousand in February 2024, with the same repayment method being in lump-sum manner on June 18, 2024.
- (7) The Company borrowed a mid-to-long term loan of \$225,000 thousand from Sunny Bank. The repayment method is starting the repayment each month from January 18, 2024 for a consecutive 12 installments, repays interests in each installment, and repays principal in lump-sum manner on April 12, 2025.

- (8) The Company borrowed a mid-to-long term loan of \$660,537 thousand from Bank of Taiwan. The repayment method is starting the repayment each month from May 29, 2024, repays interests and principal monthly, total 79 installments.
- (9) The Company borrowed a mid-to-long term loan of \$126,020 thousand from Bank of Taiwan. The repayment method is starting the repayment each month from November 18, 2024, three years of tolerance period, pays interests monthly during the tolerance period, when the tolerance period is over, and the principal is repaid monthly in 24 equal installments.
- (10) The Company borrowed mid-to-long term loan of \$800,000 thousand from Fubon Bank (originally JihSun Bank, which was combined into Fubon Bank on April 1, 2023). The repayment method is starting the repayment each three months (regarded as one installment) from January 15, 2022 for a consecutive 36 installments, and repays \$15,000 thousand for each installment, and the remaining principal of \$275,000 thousand will be paid off in lump-sum manner. The Company repaid this loan in advance on May 29, 2024.
- (11) The Company borrowed a mid-to-long term loan of \$250,000 thousand from Taiwan Business Bank, the repayment method is repayment in lump-sum manner on January 6, 2024.
- (12) The Company borrowed a mid-to-long term loan of \$530,000 thousand from Taiwan Business Bank, the repayment method is repayment in lump-sum manner on March 2, 2024.
- (13) The Company borrowed a mid-to-long term loan of \$780,000 thousand from Taiwan Business Bank, the repayment method is repayment of \$200 principal each month, and repayment of the remaining principal when due on July 31, 2031.
- (14) The Company borrowed a mid-to-long term loan of \$650,000 thousand from Taiwan Business Bank, the repayment method is repayment of \$200 principal each month, and repayment of the remaining principal when due on July 31, 2031.
- (15) The Company borrowed a mid-to-long term loan of \$70,000 thousand from Taiwan Business Bank, the repayment method is paying interests monthly, and the principal is repaid monthly.
- (16) The Company's sub-subsidiary and Sunny Leasing signed an after-sale leaseback contract for machinery and equipment. The lease period is 3 years. After the expiration, the relevant machinery and equipment will still belong to

the sub-subsidiary. The loan amount is RMB10,000 thousand, and the repayment method is that starting from October 18, 2019, for each month as an installment with a total of 36 installments, and the principal of RMB50 thousand is repaid in each installment. The remaining RMB8,250 thousand is paid off in the 36th installment. The sub-subsidiary signed a supplementary contract on September 1, 2023, extending the original financial lease contract for a total of 72 installments, and the remaining RMB6,488 thousand is paid off in the 72nd installment. The sub-subsidiary repaid RMB7,250 thousand in advance in May 2024.

- (17) The Company's subsidiary borrowed a mid-to-long term loan of RMB53,293 thousand from the Rural Commercial Bank. The repayment method involves starting the repayment on August 20, 2020, with one installment each month for a total of 169 installments. Each installment involves a fixed repayment of principal and interest of RMB493 thousand. On April 25, 2024, the sub-subsidiary increased borrowing of \$27,000 thousand to repay the loan borrowed from Sunny Leasing. Starting from May 15, 2024, the repayment method is changed to, for each month as an installment with a total of 180 installments, each installment involves a fixed repayment of principal and interest of RMB526.87 thousand.
- (18) The Group provides part of its other financial assets and property, plant and equipment as guarantee for loans, please refer to Note (8) for details.

19. Pension

(1) Defined contribution plan

- A. The pension system of the "Labor Pension Act" applicable to the Group is a defined pension contribution plan managed by the government, and 6% of the employee's monthly salary is allocated to the individual account of the Bureau of Labor Insurance. Subsidiaries outside the Republic of China have participated in the definite allocation method handled by the local government, and allocated pensions to the local government on a monthly basis.
- B. In 2024 and 2023, the amount that shall be allocated in accordance with the specified proportion in the definite distribution plan has been recognized in the profit and loss statement as a total of \$4,752 thousand and \$4,241 thousand, respectively.

(2) Defined benefit plan

- A. The pension system of Taiwan's "Labor Standards Act" applicable to the Group is a defined pension benefit plan managed by the government. The

payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. These companies allocate 4% of the total monthly salary of the employees to the employee pension fund, which is deposited in the designated account of the Bank of Taiwan under the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve. Before the end of the year, if the balance in the estimated special account is insufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be allocated before the end of March of the next year. The designated account is entrusted to the Bureau of Labor Funds of the Ministry of Labor for management, and the Group has no right to instruct the investment management strategy.

B. The amount of the Group's obligations arising from the defined benefit plan included in the Consolidated balance sheet is as follows :

Item	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	(\$ 27,484)	(\$ 25,906)
Fair value of plan assets	10,999	10,663
Net defined benefit liability	(\$ 16,485)	(\$ 15,243)

C. Changes in defined benefit liabilities are presented as follows :

Item	2024		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2024	(\$ 25,906)	\$ 10,663	(\$ 15,243)
Service costs			
Current-period service costs	(204)	–	(204)
Interest expense (income)	(279)	99	(180)
Previous period service costs	–	–	–
Liquidation loss (gain)	–	–	–
Recognized in profit or loss	(483)	99	(384)
Remeasurement amount			
Return on project assets (except for the amount included in net interest)	–	828	828
Actuarial (gain) loss -			
Impact from changes in demographic assumptions	–	–	–
Impact from changes in financial assumptions	(740)	–	(740)
Experience adjustment	(2,243)	–	(2,243)
Recognized in other comprehensive income (loss)	(2,983)	828	(2,155)
Contributions by employer	–	1,297	1,297
Number of benefit payments on the account	–	–	–
Amount of benefit payments	1,888	(1,888)	–
Balance as of December 31, 2024	(\$ 27,484)	\$ 10,999	(\$ 16,485)

Item	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2023	(\$ 23,255)	\$ 5,999	(\$ 17,256)
Service costs			
Current-period service costs	(213)	–	(213)
Interest expense (income)	(342)	70	(272)
Previous period service costs	–	–	–
Liquidation loss (gain)	–	–	–
Recognized in profit or loss	(555)	70	(485)
Remeasurement amount			
Return on project assets (except for the amount included in net interest)	–	82	82
Actuarial (gain) loss -			
Impact from changes in demographic assumptions	–	–	–
Impact from changes in financial assumptions	(696)	–	(696)
Experience adjustment	(1,400)	–	(1,400)
Recognized in other comprehensive income (loss)	(2,096)	82	(2,014)
Contributions by employer	–	4,512	4,512
Number of benefit payments on the account	–	–	–
Amount of benefit payments	–	–	–
Balance as of December 31, 2023	(\$ 25,906)	\$ 10,663	(\$ 15,243)

D. The Group is exposed to the following risks due to the pension system of the "Labor Standards Act" :

(A) Investment risk

The Bureau of Labor Funds of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and entrusted operation methods, however, the distribution amount of the Group's planned assets is not lower than the income calculated from the local bank's 2-year time deposit interest rate.

(B) Interest rate risk

A decrease in interest rates on government bonds will increase the present value of defined benefit obligations, but the return on debt investment in plan assets will also increase. The effects of the two on net defined benefit liabilities will be partially offset.

(C) Salary risk

The calculation of the present value of the defined benefit obligation refers to the future salary of the members of the plan. An increase in the salary of the members of the plan will therefore increase the present value of the defined benefit obligations.

E. The present value of the Group's defined benefit obligations is calculated by a certified actuary. Significant assumptions at the measurement date are listed below :

Item	Measurement Date	
	December 31, 2024	December 31, 2023
Discount rate	1.48%	1.23%
Growth of future salary	2.50%	2.00%
Determining the average due period of benefit obligation	9 years	10years

(A) The assumptions for the future mortality rate are estimated based on the empirical life expectancy table of the Taiwanese life insurance industry in 2021.

(B) If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows :

Item	December 31, 2024	December 31, 2023
Discount rate		
Increase 0.5%	(\$ 676)	(\$ 676)
Decrease 0.5%	\$ 720	\$ 721
Expected rate of salary increase		
Increase 0.25%	\$ 345	\$ 346
Decrease 0.25%	(\$ 336)	(\$ 336)

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not be able to reflect the actual changes in the present value of the defined benefit obligations.

F. The Company expects to pay \$1,200 thousand and \$1,200 thousand to the pension plan in 2025 and 2024, respectively.

20. Capital

(1) The adjustments to the number and amount of ordinary shares outstanding at the beginning of the period and at the end of the period are as follows :

	2024		2023	
	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount
January 1	135,343	\$ 1,353,430	135,343	\$ 1,353,430
December 31	135,343	\$ 1,353,430	135,343	\$ 1,353,430

(2) As of December 31, 2024 and 2023, the Company's authorized capital is \$3,530,000 thousand. The paid-in capital on December 31, 2024 and 2023 was both \$1,353,430 thousand, and 135,343 thousand shares were issued.

21. Capital surplus

Item	December 31, 2024	December 31, 2023
Changes in recognized ownership interests in subsidiaries	\$ 701	\$ 701

In accordance with the provisions of the Company Act, the capital surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses, and when the Company has no accumulated losses, new shares or cash may be issued to shareholders in proportion to their original shares. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. Capital surpluses should not be used to cover accumulated deficit unless the legal reserve is insufficient. The capital surplus generated from investment using the equity method shall not be used for any purpose.

22. Retained earnings

- (1) According to the Articles of Incorporation, annual surpluses concluded by the Company are first subject to taxation and making up for previous losses, followed by a 10% provision for legal reserves; however, no further provision is needed when legal reserves have accumulated to the same amount as the Company's paid-in capital. Any surpluses remaining shall then be subject to provision or reversal of special reserves, as the laws. The residual balance (if any) can then be added to undistributed earnings carried from previous years per board resolution, and the shareholder meeting resolved to distribute shareholder bonus shares.
- (2) The legal reserve shall not be used except for making up the company's losses and issuing new shares or cash in proportion to the shareholders' original shares. However, the issue of new shares or cash shall be limited to the portion of the reserve exceeding 25% of the paid-in capital.
- (3) Special reserve
 - A. When the Company distributes the surplus, according to laws and regulations, the special reserve shall be withdrawn from the debit balance of other equity items on the balance sheet date of the current year before the distribution. Later when the debit balance of other equity items is reversed, the reversed amount may be included in the distributable surplus.
 - B. When adopting IFRSs for the first time, according to official latter Jin Guan Zheng Fa Zi No. 1090150022 dated March 31, 2021, the special reserve of \$580,567 thousand was provided, if the Company subsequently uses, disposes or reclassifies the relevant assets, the proportion of the original special surplus reserve will be reversed to the distributable retained surplus. In June 2018, the shareholders' meeting resolved to use the special reserve to

make up for the loss of \$580,567 thousand. For any fiscal year with surplus thereafter, before the reason for the allocation of special reserve is eliminated, the shortfall shall be supplemented before the surplus can be distributed.

(4) According to the Company's profit distribution plan for 2023 passed by the resolution of the shareholders' meeting in June 2024, there are no distribution matters because there are still losses to be made up.

(5) The appropriations of 2024 earnings proposed by the Board of Directors on March 2025 are as follows :

Item	Amount	Earnings Per Share (NTD)
Legal reserve	\$ 2, 574	
Special reserve	23, 166	
Cash dividends	–	\$ –
Stock dividends	–	–

The appropriation of earnings in 2024 is subject to the resolution of the shareholders' meeting to be held in 2025.

(6) For information on the profit distribution proposed by the board of directors and resolutions of the shareholders' meeting, please visit the official site, Market Observation Post System of Taiwan Stock Exchange.

23. Other equity

Item	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Property revaluation increment	Total
Balance as of 2024.1.1	\$ 104, 206	\$ 231, 656	\$ 503, 632	\$ 839, 494
Exchange differences arising from the translation of financial statements of foreign operating institutions	(32, 222)	–	–	(32, 222)
Share of other comprehensive (loss) of associates and joint ventures recognized using the equity method	–	19, 806	–	19, 806
Unrealized gains (losses) from investments in equity instruments measured at FVTOCI	–	(45, 182)	–	(45, 182)
Balance as of 2024.12.31	\$ 71, 984	\$ 206, 280	\$ 503, 632	\$ 781, 896

Item	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Property revaluation increment	Total
Balance as of 2023.1.1	\$ 83,624	\$ 138,376	\$ 503,632	\$ 725,632
Exchange differences arising from the translation of financial statements of foreign operating institutions	20,582	–	–	20,582
Share of other comprehensive (loss) of associates and joint ventures recognized using the equity method	–	71,541	–	71,541
Unrealized gains (losses) from investments in equity instruments measured at FVTOCI	–	21,739	–	21,739
Balance on 2023.12.31	\$ 104,206	\$ 231,656	\$ 503,632	\$ 839,494

24. Non-controlling interest

Item	2024	2023
Beginning balance	(\$ 370,706)	(\$ 351,122)
Amount attributable to non-controlling interest :		
Net income (loss)	(34,296)	(31,983)
Other comprehensive income (loss)	(26,143)	16,699
Decrease in non-controlling interest	–	(4,300)
Ending balance	(\$ 431,145)	(\$ 370,706)

25. Operating revenue

Item	2024	2023
Revenue from customer contracts		
Sales revenue	\$ 132,881	\$ 117,217
Logistics revenue	791,515	663,538
Total	\$ 924,396	\$ 780,755

(1) Breakdown of revenue by contract with customers

The Group's income is mainly derived from products and services transferred at a certain point in time, and income can be further divided into the following major products :

Product Type	2024	2023
Cotton and fiber	\$ 95,653	\$ 52,359
Logistics	791,515	663,538
Others	37,228	64,858
Total	\$ 924,396	\$ 780,755

(2) Contract balance

	December 31, 2024	December 31, 2023
Contract liabilities - sale of goods	\$ 973	\$ –

A. Significant changes in contract assets and contract liabilities

Changes in contract liabilities are primarily attributable to differences in the timing of satisfaction of performance obligations and the timing of payment by customers.

B. The contract liabilities at the beginning of the period and the previously satisfied performance obligations recognized as revenue in 2024 and 2023 were \$52 thousand and \$1,639 thousand, respectively.

C. Unfulfilled customer contracts

As of December 31, 2024, the Group's unfulfilled customer contracts for the sale of products or services are expected to last for less than one year, and are expected to be performed within the next year and recognized as revenue.

(3) Additional costs for obtaining contracts : None.

(4) The cost of fulfilling the contract : None.

26. Employee benefits, depreciation, depletion and amortization expenses

Nature	2024		
	Operating costs	Operating expenses	Total
Employee benefits			
Payroll expenses	\$ 72,388	\$ 37,005	\$ 109,393
Labor and health insurance	7,321	2,614	9,935
Pension expense	3,457	1,679	5,136
Other employee benefits	4,024	13,733	17,757
Depreciation expense	106,246	5,422	111,668
Amortization expense	4,276	33	4,309

Nature	2023		
	Operating costs	Operating expenses	Total
Employee benefits			
Payroll expenses	\$ 58,914	\$ 28,765	\$ 87,679
Labor and health insurance	6,690	2,412	9,102
Pension expense	2,998	1,728	4,726
Other employee benefits	2,912	2,599	5,511
Depreciation expense	93,742	4,331	98,073
Amortization expense	5,995	56	6,051

- (1) According to the Company's Articles of Association, if there is any profit in the year, no less than 3% of such profit shall be allocated as employee remuneration, and the board of directors will determine to distribute it in the form of stock or cash, and those qualified for receiving the distribution include employees of associates who meet certain conditions; Proposals on the distribution of employee remuneration and director remuneration shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate employee remuneration and director remuneration in proportion based on the preceding paragraph.

- (2) The Company's Board of Directors resolved on March 12, 2025 and March 6, 2024 to approve 2024 and 2023 employees remuneration and directors' and supervisors' remuneration, respectively, and the related amounts recognized in the financial statements are as follows :

	2024		2023	
	Employees remuneration	Director and supervisor remuneration	Employee remuneration	Director and supervisor remuneration
Distribution amount per resolution	\$ 2,520	\$ 2,510	\$ -	\$ -
Recognized amount per annual financial statements	2,520	2,510	-	-
Difference	\$ -	\$ -	\$ -	\$ -

- (3) For information about the Company's employee remuneration and director and supervisor remuneration, please visit the official site, Market Observation Post System of Taiwan Stock Exchange.

27. Other income

Item	2024	2023
Dividend income	\$ 4,088	\$ 2,012
Rental income	12	11
Others	1,825	488
Total	\$ 5,925	\$ 2,511

28. Other gains and losses

Item	2024	2023
Net (loss) gain on financial assets or liabilities measured at FVTPL	\$ 20,091	\$ 2,396
Net foreign exchange gains (losses)	30,343	(36,572)
Loss on disposal of investments	90	(958)
Gain on disposal of property, plant and equipment	39	300
Fair value adjustment (loss) gain on investment property	(23,037)	360
Other losses	(3,973)	(1,184)
Total	<u>\$ 23,553</u>	<u>(\$ 35,658)</u>

29. Finance costs

Item	2024	2023
Interest expense :		
Bank loan	\$ 111,574	\$ 105,786
Interest on lease liabilities	122	133
Imputed interests	429	229
Others	343	–
Less : Capitalized amount for qualifying assets	(13,541)	(7,505)
Finance costs	<u>\$ 98,927</u>	<u>\$ 98,643</u>

30. Income tax

(1) Components of income tax expense :

Item	2024	2023
Current-period income tax		
Income tax generated in the current period	\$ 40,509	\$ –
Surtax on unappropriated retained earnings	–	–
Basic income tax payable	–	–
Income tax adjustments of previous year(s)	–	–
Income tax recognized in profit for the current year	<u>40,509</u>	<u>–</u>
Deferred income tax		
Initially generated or reversed temporary differences	11,983	(1,277)
Income tax expense (benefit)	<u>\$ 52,492</u>	<u>(\$ 1,277)</u>

- (2) The tax amount calculated by multiplying the income tax expense and the pre-tax net profit by the statutory tax rate is reconciled as follows :

Item	2024	2023
Income before income tax	\$ 263,714	\$ 141,451
Computed tax on before-tax income at statutory tax rate	\$ 39,978	\$ 17,528
Tax impact from adjustments :		
Effects from items that are not included in computation of taxable income	531	(19,896)
Surtax on unappropriated retained earnings	-	2,368
Basic income tax payable	-	-
Income tax expense payable in the current period	40,509	-
Income tax adjustments of previous year	-	-
Net change in deferred income tax	11,983	(1,277)
Income tax expense (benefit) recognized in profit or loss	\$ 52,492	(\$ 1,277)

The applicable tax rate to the Group's entities subject to the Income Tax Law of the Republic of China is 20%, and the tax rate applicable to undistributed earnings is 5% ; The tax amounts generated from other jurisdictions are computed according to the applicable respective tax rates in the other jurisdictions.

- (3) Deferred income tax assets (liabilities) :

Item	2024			
	Beginning balance	Recognized in (loss) profit	Recognized in other comprehensive income (loss)	Ending balance
Deferred income tax assets :				
Temporary difference				
Unrealized loss on inventory price decline	\$ 4,257	(\$ 1,551)	\$ -	\$ 2,706
Deferred income tax liabilities :				
Temporary differences				
Unrealized exchange gains	-	(10,432)	-	(10,432)
Land value increment reserve	(370,231)	-	-	(370,231)
Subtotal	(370,231)	(10,432)	-	(380,663)
Total	(\$ 365,974)	(\$ 11,983)	\$ -	(\$ 377,957)

Item	2023			
	Beginning balance	Recognized in (loss) profit	Recognized in other comprehensive income (loss)	Ending balance
Deferred income tax assets :				
Temporary difference				
Unrealized loss on inventory price decline	\$ 2,980	\$ 1,277	\$ –	\$ 4,257
Deferred income tax liabilities :				
Temporary differences				
Unrealized exchange gains	–	–	–	–
Land value increment reserve	(370,231)	–	–	(370,231)
Subtotal	(370,231)	–	–	(370,231)
Total	(\$ 367,251)	\$ 1,277	\$ –	(\$ 365,974)

(4) Items not recognized as deferred income tax assets

Item	December 31, 2024	December 31, 2023
Deductable temporary differences	\$ 4,512	\$ –
Loss deduction	2,733	8,077
Total	\$ 7,245	\$ 8,077

(5) The Company's profit-seeking income tax has been approved by the tax collection unit until 2022.

31. Other comprehensive income (loss)

Item	2024		
	Pre-tax amount	Income tax (expense) benefit	Net income after tax
Items that will not be reclassified to profit or loss :			
Remeasurements of defined benefit plans	(\$ 2,155)	\$ –	(\$ 2,155)
Unrealized valuation gain (loss) on investments in equity instruments measured at FVTOCI	(45,182)	–	(45,182)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	19,806	–	19,806
Subtotal	(27,531)	–	(27,531)
Items that may be subsequently reclassified to profit or loss :			
Exchange differences on translation of foreign operations	(58,365)	–	(58,365)
Recognized in other comprehensive income (loss)	(\$ 85,896)	\$ –	(\$ 85,896)

Item	2023		
	Pre-tax amount	Income tax (expense) benefit	Net income after tax
Items that will not be reclassified to profit or loss :			
Remeasurements of defined benefit plans	(\$ 2,014)	\$ –	(\$ 2,014)
Unrealized valuation gain (loss) on investments in equity instruments measured at FVTOCI	21,739	–	21,739
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	71,541	–	71,541
Subtotal	91,266	–	91,266
Items that may be subsequently reclassified to profit or loss :			
Exchange differences on translation of foreign operations	37,281	–	37,281
Recognized in other comprehensive income (loss)	\$ 128,547	\$ –	\$ 128,547

32. Earnings per share

	2024	2023
Basic earnings per share :		
Net income attributable to parent company	\$ 245,518	\$ 174,711
Weighted average number of shares outstanding in the current period (thousand of shares)	135,343	135,343
Basic earnings per share (after tax) (NTD)	\$ 1.81	\$ 1.29
Diluted earnings per share :		
Net income attributable to parent company	\$ 245,518	\$ 174,711
Effects from potential dilutive common shares :		
Weighted average number of shares after retrospective adjustment (thousand of shares)	135,343	135,343
Employee compensation effects (thousand of shares)	80	–
Computed weighted average number of shares outstanding (thousand of shares)	135,423	135,343
Diluted earnings per share (after tax) (NTD)	\$ 1.81	\$ 1.29

33. Reconciliation for liabilities arising from financing activities

	January 1, 2024	Cash flow	Non-cash changes					December 31, 2024
			Changes in acquisition of subsidiary	Change in loss of control of a subsidiary	Changes in exchange rates	Changes of fair value	Other non-cash changes	
Short-term borrowings	\$ 762,699	\$ 288,315	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,051,014
Short-term notes and bills payable	–	100,000	–	–	–	–	(70)	99,930
Other payables - related parties	581,000	48,794	–	–	–	–	–	629,794
Long-term borrowings	3,309,772	(40,398)	–	–	–	–	–	3,269,374
Lease liabilities	6,567	(5,225)	–	–	–	–	5,328	6,670
Guarantee deposits received	66,803	302	–	–	–	–	–	67,105
Total liabilities arising from financing activities	\$ 4,726,841	\$ 391,788	\$ –	\$ –	\$ –	\$ –	\$ 5,258	\$ 5,123,887

	January 1, 2023	Cash flow	Non-cash changes					December 31, 2023
			Changes in acquisition of subsidiary	Change in loss of control of a subsidiary	Changes in exchange rates	Changes of fair value	Other non-cash changes	
Short-term borrowings	\$ 531,400	\$ 231,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 762,699
Other payables - related parties	563,961	17,039	-	-	-	-	-	581,000
Long-term borrowings	3,276,433	33,339	-	-	-	-	-	3,309,772
Lease liabilities	7,943	(4,038)	-	-	-	-	2,662	6,567
Guarantee deposits received	66,966	(163)	-	-	-	-	-	66,803
Total liabilities arising from financing activities	\$ 4,446,703	\$ 277,476	\$ -	\$ -	\$ -	\$ -	\$ 2,662	\$ 4,726,841

(7) Related Party Transactions

1. Parent company and ultimate controller

The Company is the ultimate controller of the Group.

2. Name and nature of relationship of the related parties

Name of the related parties	Relationship with the Company
Sunny Logistics Co., Ltd.	Associates
Lily Construction Co., Ltd.	Associates
Star Pacific Services Corp. ("Star Pacific ")	Other related parties
Shing Shoun Fiber Co., Ltd.	Other related parties
Kunshan Lily Garment Co., Ltd.	Other related parties
Lily Freight Co., Ltd.	Other related parties
Kunshan Lily Enterprise Management Consulting Co., Ltd.	Other related parties
Su, Dong-Rong	Key management personnel
Su, Ching-Yuan	Key management personnel

3. Significant transactions with the related parties

The balance and transactions between the Group and its subsidiaries (related persons of the Company) have been eliminated in the preparation of the consolidated financial statements and have not been disclosed. The details of transactions between the Group and other related parties are disclosed as follows:

(1) Costs

Accounting item	Type of related parties	2024	2023
Purchases	Other related parties	\$ 298	\$ 1,003
Warehousing costs	Other related parties	\$ 1,702	\$ 1,625

The transaction terms for the purchase of goods with the above-mentioned related parties are 30 ~ 60 days, and the calculation of the price is the same as that of ordinary non-related parties.

(2) Revenue

Accounting item	Type/Name of related parties	2024	2023
Sales revenue	Other related parties	\$ 2,730	\$ 3,001
Logistics revenue	Other related parties	\$ 384	\$ 384

The transaction terms for the sales of goods with the above-mentioned related parties are 60 ~ 75 days, and the calculation of the price is the same as that of ordinary non-related parties.

(3) Property transaction : None.

(4) Various expenses

Type/Name of related parties	2024	2023	Nature of Transaction
associates	\$ 600	\$ 600	Rent expense

(5) Various income

Type/Name of related parties	2024	2023	Nature of Transaction
Associates	\$ 11	\$ 11	Rental income
Associates	\$ 300	\$ -	Other income

(6) Ending balance of accounts receivable (payable)

Type/Name of related parties	December 31, 2024	December 31, 2023
Notes and accounts receivable		
Other related parties	\$ 13,477	\$ 22,505
Less : Loss allowance	-	-
Net amount	\$ 13,477	\$ 22,505

In 2024 and 2023, the impairment and recovery benefits of the above-mentioned receivables from related parties amounted to \$0 for both years.

Type/Name of related parties	December 31, 2024	December 31, 2023
Other accounts receivable		
Key management personnel of the entity or its parent company	\$ 4, 256	\$ 4, 761
Other related parties	1, 057	1, 021
Total	5, 313	5, 782
Less : Loss allowance	–	–
Net amount	\$ 5, 313	\$ 5, 782

In 2024 and 2023, no allowance was made for the above-mentioned receivables from related parties.

Type/Name of related parties	December 31, 2024	December 31, 2023
Accounts and notes payable		
Associates	\$ 2, 223	\$ 2, 201
Other related parties	183	169
Total	\$ 2, 406	\$ 2, 370

(7) Financing

A. Lending : None.

B. Borrowing :

(A) Payables to related parties

Type/Name of related parties	December 31, 2024	December 31, 2023
Associates	\$ 20, 742	\$ 20, 041
Star Pacific	156, 454	146, 631
Other related parties	41, 810	38, 859
Su, Dong-Rong, Su, Ching-Yuan and others	408, 411	373, 543
Total	\$ 627, 417	\$ 579, 074

(B) Interest payable

Type/Name of related parties	December 31, 2024	December 31, 2023
Associates	\$ 2, 377	\$ 1, 926

(8) Guarantee notes received

Type/Name of related parties	December 31, 2024	December 31, 2023
Key management personnel of the entity or its parent company	\$ –	\$ 19, 506

4. Salary information for Key management personnel

Type/Name of related parties	2024	2023
Salary and other short-term employee benefits	\$ 11,690	\$ 11,413
Post-employment benefits	–	–
Total	<u>\$ 11,690</u>	<u>\$ 11,413</u>

(8) Pledged Assets

The following assets have been provided as collateral for various borrowings and performance bonds :

Item	December 31, 2024	December 31, 2023
Other financial assets - current	\$ 179,936	\$ 179,823
Property, plant and equipment (net amount)	3,156,511	3,735,205
Investment property	895,881	888,462
Total	<u>\$ 4,232,328</u>	<u>\$ 4,803,490</u>

(9) Significant Contingent Liabilities and Unrecognized Contract Commitments

1. Endorsements

(1) As of December 31, 2024 and 2023, the Company's endorsement guarantee for Kunshan Lily Textile Co., Ltd. provides guarantee for bank loans with an amount of NTD177,500 thousand and RMB41,000 thousand, respectively.

(2) As of December 31, 2024 and 2023, the Lily Construction Co., Ltd. endorsement guarantee for Kunshan Lily Textile Co., Ltd. provides guarantee for bank loans with an amount of \$0 and RMB15,000 thousand, respectively.

2. As of December 31, 2024 and 2023, the guarantee notes received by the Group for the purpose of endorsement of performance of construction and guarantee of creditor's rights, etc. reached \$50,252 thousand and \$69,758 thousand, respectively, in total, and are recorded in the accounts of guarantee notes and guarantee notes receivable (memo).

3. The Group's issue but not yet utilized letter of credit :

Item	December 31, 2024	December 31, 2023
Letter of credit	NTD 4,890 thousand	NTD 5,600 thousand
		EUR 1,215 thousand

(10) Significant Disaster Losses : None.

(11) Significant Subsequent Events : None.

(12) Others

1. Capital risk management

The Company needs to maintain a large amount of capital to meet the needs of expansion and upgrading of plant and equipment. Therefore, the Company's capital management is to ensure that it has the necessary financial resources and operating plans to meet the needs of working capital, capital expenditures, research and development expenses, debt repayments and dividend payments in the next 12 months.

2. Financial instruments

(1) Financial risk of financial instruments

A. Financial risk management policies

The daily operation of the Group is affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk and liquidity risk. In order to reduce related financial risks, the company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes on the company's financial performance.

The Company's important financial activities are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the company must strictly abide by the relevant financial operating procedures regarding overall financial risk management and division of powers and responsibilities.

B. Nature and extent of material financial risks

(A) Market risk

a. Foreign exchange risk

- (a) The Group is exposed to exchange rate risk arising from sales, purchases and borrowing transactions and net investments in foreign operations that are not denominated in the respective functional currencies of the Group. These transactions are mainly denominated in US dollars and RMB. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the Company uses foreign currency loans and derivative financial instruments (including forward exchange contracts and exchange interest contracts) to avoid exchange rate risks. The use of such derivative financial instruments can help the Company reduce

but still cannot completely eliminate the impact of foreign currency exchange rate changes.

Since the net investment of foreign operating institutions is a strategic investment, the company does not hedge against it.

(b) Exchange rate exposure risk and sensitivity analysis

December 31, 2024				
	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ 51,136	32.81	\$	1,677,772
RMB : NTD	1,175	4.47		5,252
EUR : NTD	764	34.18		26,114
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	14,242	32.81		467,280
EUR : NTD	88	34.18		3,008

December 31, 2023				
	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ 50,854	30.75	\$	1,563,761
RMB : NTD	41,241	4.32		178,161
EUR : NTD	764	34.02		25,991
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	14,488	30.75		445,506
EUR : NTD	88	34.02		2,994

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the major foreign currency monetary items and non-monetary items on the end date of the financial reporting period, and the impact of the related foreign currency appreciation/depreciation on the Group's profit and loss and equity. The Company's exchange rate risk is mainly affected by the fluctuation of the US dollar exchange rate. When the USD depreciates/appreciates 1%, the company's net profit after tax in 2024 and 2023 will increase/decrease by \$9,684 thousand and \$8,946 thousand, respectively.

(c) The Group's monetary items have no unrealized exchange gains or losses that have a significant impact due to exchange rate fluctuations.

b. Price risk

Since the Group holds investments in equity instruments, the Group is exposed to the price risk of equity instruments, because the equity instruments held by the Group are invested in the consolidated balance sheet, they are classified as financial assets at PVTPL and financial assets at FVTOCI.

The Group mainly invests in domestic listed/OTC and non-listed/OTC equity instruments. The price of these equity instruments will be affected by the certainty of the future value of the investment target.

For 2024 and 2023, if the prices of these equity instruments had increased/decreased by 1%, net income would have increased (decreased) by \$478 thousand and \$169 thousand, respectively, as a result of the increase/decrease in fair value of the financial assets at FVTPL ; other comprehensive income, net of tax, would have increased (decreased) by \$1,704 thousand and \$1,917, respectively, as a result of the increase/decrease in fair value of the financial assets at FVTOCI.

c. Interest rate risk

The Group's interest rates on interest-bearing financial instruments on the reporting date are summarized as follows :

Item	Carrying amount	
	December 31, 2024	December 31, 2023
Instrument with fair value interest rate risk :		
Financial assets	\$ 221, 025	\$ 218, 568
Financial liabilities	(99, 930)	–
Net amount	<u>\$ 121, 095</u>	<u>\$ 218, 568</u>
Instrument with cash flow interest rate risk :		
Financial assets	\$ 52, 105	\$ 38, 511
Financial liabilities	(4, 320, 388)	(4, 072, 471)
Net amount	<u>(\$ 4, 268, 283)</u>	<u>(\$ 4, 033, 960)</u>

(a) Sensitivity analysis of fair value interest rate risk :

The Group does not classify any fixed-rate financial assets and liabilities as financial assets measured at FVTPL and available for sale, nor does it designate derivatives (interest rate swaps) as hedging tools under the fair value hedging accounting model. Therefore, changes in interest rates on the reporting date will not affect profit or loss, equity, and other comprehensive net income.

(b) Sensitivity analysis of instruments with cash flow interest rate risk

The Group's financial instruments with variable interest rates are assets (debts) with floating interest rates. Therefore, changes in market interest rates will cause changes in effective interest rates, resulting in fluctuations in future cash flows. Every 1% increase in the market interest rate will reduce the after-tax net profit in 2024 and 2023 by \$34,146 thousand and \$32,272 thousand, respectively.

(B) Credit risk

Credit risk refers to the risk that the counterparty of the transaction violates the contractual obligations and causes financial losses to the Group. The Group's credit risk mainly comes from receivables generated from operating activities, bank deposits and other financial instruments generated from investment activities. Operational credit risk and financial credit risk are managed separately.

a. Operation-related credit risk

In order to maintain the quality of accounts receivable, the company has established procedures for credit risk management related to operations. The risk assessment of an individual customer is based on the consideration of various factors that may affect the customer's ability to pay, including the customer's financial status, the company's internal credit rating, historical transaction records and current economic conditions.

b. Financial credit risk

The credit risk of bank deposits and other financial instruments is measured and monitored by the financial segment of the Group. Since the Group's transaction partners and other parties to the

contract are all credit-worthy banks, financial institutions, corporate organizations, and government agencies with investment grades and above, there are no major doubts about the performance of the contract, so there is no major credit risk. In addition, the Group is not classified as an investment in debt instruments measured at FVTOCI at cost after amortization.

(a) Credit concentration risk

As of December 31, 2024 and 2023, the accounts receivable balance of the top ten customers accounted for 53.35% and 34.87% of the Company's accounts receivable balance, respectively, and the credit concentration risk of the remaining accounts receivable was relatively insignificant.

(b) Measurement of loss on expected credit impairment

Accounts receivable: simplified approach, please refer to Note (6)5.

Basis for judging whether the credit risk has increased significantly: None. (In addition, the Group is not classified as an investment in debt instruments measured at FVTOCI at cost after amortization)

(c) The financial assets held by the Group do not have any collateral or other credit enhancement protection to avoid the credit risk of financial assets.

C. Liquidity risk

a. Management of liquidity risk

The goal of the Group's liquidity risk management is to maintain the cash and equivalent cash required for operations, highly liquid securities and sufficient bank financing lines, etc., so as to ensure that the Group has sufficient financial flexibility.

b. Maturity analysis of financial liabilities

The following table summarizes the analysis of the Group's financial liabilities during the agreed repayment period according to the due date and undiscounted due amount :

December 31, 2024							
Non-derivative financial liabilities	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Contract cash flow	Carrying amount
Short-term borrowings	\$ 827,514	\$ 223,500	\$ –	\$ –	\$ –	\$ 1,074,180	\$ 1,051,014
Notes and bills payable	99,929	–	–	–	–	100,000	99,929
Notes payable (including related parties)	33,868	–	–	–	–	33,868	33,868
Accounts payable (including related parties)	36,941	–	–	–	–	36,941	36,941
Other payables (including related parties)	921,343	–	–	–	–	921,343	921,343
Long-term borrowings (including those due within one year)	208,660	116,320	234,658	1,164,781	1,544,955	3,494,359	3,269,374
Guarantee deposits received	23,673	–	–	–	43,432	67,105	67,105
Total	<u>\$ 2,151,928</u>	<u>\$ 339,820</u>	<u>\$ 234,658</u>	<u>\$1,164,781</u>	<u>\$1,588,387</u>	<u>\$ 5,727,796</u>	<u>\$ 5,579,503</u>

Derivative financial liabilities : None.

Further information on the lease liability maturity analysis is as follows :

	Less than 1 year	1-5 years	5-10 years	15-20 years	Over 20 years	Total undiscounted lease payments	Carrying amount
Lease liabilities	<u>\$ 4,488</u>	<u>\$ 2,524</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 7,012</u>	<u>\$ 6,670</u>

December 31, 2023							
Non-derivative financial liabilities	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Contract cash flow	Carrying amount
Short-term borrowings	\$ 385,967	\$ 376,732	\$ –	\$ –	\$ –	\$ 785,077	\$ 762,699
Notes payable (including related parties)	12,692	–	–	–	–	12,692	12,692
Accounts payable (including related parties)	30,189	–	–	–	–	30,189	30,189
Other payables (including related parties)	843,372	–	–	–	–	843,372	843,372
Long-term borrowings (including those due within one year)	853,926	606,123	191,393	604,304	1,054,026	3,473,005	3,309,772
Guarantee deposits received	–	169	15,049	42,582	9,003	66,803	66,803
Total	<u>\$ 2,126,146</u>	<u>\$ 983,024</u>	<u>\$ 206,442</u>	<u>\$ 646,886</u>	<u>\$1,063,029</u>	<u>\$ 5,211,138</u>	<u>\$ 5,025,527</u>

Derivative financial liabilities : None.

Further information on the lease liability maturity analysis is as follows :

	Less than 1 year	1-5 years	5-10 years	15-20 years	Over 20 years	Total undiscounted lease payments	Carrying amount
Lease liabilities	<u>\$ 4,218</u>	<u>\$ 2,662</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 6,880</u>	<u>\$ 6,567</u>

The Group does not expect that the cash flow of maturity analysis will be significantly earlier, or the actual amount will be significantly different.

(2) Types of financial instruments

The book values of various financial assets and financial liabilities of the Group on December 31, 2024 and 2023 are as follows :

<u>Financial assets</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 124, 282	\$ 108, 083
Notes and accounts receivable (including related parties)	128, 872	110, 947
Other receivables (including related parties)	16, 972	13, 313
Other financial assets - current	179, 936	179, 823
Refundable deposits	15, 767	12, 617
Financial assets at FVTPL - current	47, 756	16, 855
Financial assets measured at FVTOCI	170, 442	191, 745
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	1, 051, 014	762, 699
Bills and notes payable	99, 930	–
Notes and accounts payable (including related parties)	70, 809	42, 881
Other payables (including related parties)	921, 343	843, 372
Long-term borrowings (including those due within one year)	3, 269, 374	3, 309, 772
Guarantee deposits received	67, 105	66, 803

3. Fair value information

(1) Please refer to Note (12)3(3) for the fair value information of the Group's financial assets and financial liabilities that are not measured at fair value.

(2) Three-level definition of fair value:

Level 1:

The input value of this level refers to the open quotation of the same instrument in the active market of the instrument in the active market. An active market refers to a market that meets all of the following conditions: Commodities traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time and price information is available to the public.

Level 2:

The input values of this level include observable input values obtained directly (such as prices) or indirectly (such as deriving from prices) from active markets, other than publicly quoted prices in active markets.

Level 3:

The input value of this level refers to the input parameter to measure the fair value which is not based on the observable input value available in the market.

(3) Financial instruments not measured at fair value

The Group's financial instruments that are not measured at fair value include cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, deposits, short-term borrowings, notes payable, accounts payable, other carrying amounts of payables and deposits are reasonable approximations of fair values.

(4) Information of level of fair value:

The Group's financial instruments measured at fair value are measured at fair value on a repeatable basis, while assets to be disposed are measured at the lower of book value and fair value less costs to sell on a non-repetitive basis.

The Group's fair value grade information is shown in the table below :

Item	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
Financial assets at FVTPL	\$ 47,756	\$ -	\$ -	\$ 47,756
Financial assets at FVTOCI	21,641	-	148,801	170,442
Investment property	-	-	895,881	895,881
Total	<u>\$ 69,397</u>	<u>\$ -</u>	<u>\$ 1,044,682</u>	<u>\$ 1,114,079</u>
Item	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
Financial assets at FVTPL	\$ 16,855	\$ -	\$ -	\$ 16,855
Financial assets at FVTOCI	22,807	-	168,938	191,745
Investment property	-	-	888,462	888,462
Total	<u>\$ 39,662</u>	<u>\$ -</u>	<u>\$ 1,057,400</u>	<u>\$ 1,097,062</u>

(5) Fair value evaluation techniques for instruments measured by fair value:

- A. If there is a public quotation in an active market for a financial instrument, the public quotation in the active market shall be used as the fair value. The market prices announced by major exchanges and central government bond over-the-counter trading centers that are judged to be popular bonds are the basis for the fair value of listed/OTC equity instruments and debt instruments with open quotations in active markets.

If public quotations of financial instruments can be obtained timely and frequently from exchanges, brokers, underwriters, industry associations, pricing service agencies or competent authorities, and if the price represents an actual and frequently occurring fair market transaction, the financial instrument will be deemed to have an open quotation in an active market. If

the above conditions are not met, the market is considered inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or very little trading volume are indicators of an inactive market.

If the financial instruments held by the Group have an active market, their fair values are listed as follows by category and attribute:

(A) Stocks of listed/OTC companies: closing price.

(B) Open-ended funds: net worth.

- B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained by evaluation techniques or by referring to the quotations of counterparties. The fair value obtained through evaluation techniques can refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including the use of market information available on the consolidated balance sheet date. Calculated (for example, refer to the yield curve of the counter buying center, the average quotation of Reuters commercial paper interest rate).

The fair value of non-listed/OTC Company stocks held by the Group without an active market is mainly estimated by the market method, and its judgment is based on evaluations of similar companies, third-party quotations, company net worth and operating conditions.

- C. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.
- D. The Group incorporates credit risk assessment adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect the counterparty's credit risk and the Group's credit quality respectively.

- (6) Transfer between Level 1 and Level 2: None.

(7) The detailed list of changes in the Level 3 (excluding non-repetitive fair value) :

Item	Equity securities	Investment property
January 1, 2024	\$ 168,938	\$ 888,462
Gains or losses recognized in profit or loss in the current period	–	(23,037)
Gain or loss recognized in other comprehensive profit or loss	(46,448)	30,456
Transferred in this period	–	–
Acquisition this period	23,879	–
Disposal this period	–	–
Transferred to Level 3	2,432	–
Transferred from Level 3	–	–
December 31, 2024	<u>\$ 148,801</u>	<u>\$ 895,881</u>

Item	Equity securities	Investment property
January 1, 2023	\$ 140,513	\$ 906,251
Gains or losses recognized in profit or loss in the current period	–	360
Gain or loss recognized in other comprehensive profit or loss	17,488	(20,535)
Gain or loss recognized in other comprehensive profit or loss	–	–
Transferred in this period	10,937	2,386
Acquisition this period	–	–
Disposal this period	–	–
Transferred to Level 3	–	–
Transferred from Level 3	<u>\$ 168,938</u>	<u>\$ 888,462</u>

(8) Quantitative information on fair value measurement of significant unobservable inputs (Level 3) :

	Fair value on December 31, 2024	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relation between input value and fair value
Non-derivative financial assets :					
Non-listed/OTC stocks	\$ 148,801	Market approach	Discount due to lack of market liquidity	25%	The higher the discount due to lack of market liquidity, the lower the fair value
Non-financial assets :					
Investment property	895,881	Income approach	Discount rates for predicted future cash flows	4.45%~7.0%	The higher the discount rate, the lower the fair value

	Fair value on December 31, 2023	Evaluation technique	Significant unobservable input value	Interval (weighted average)	Relation between input value and fair value
Non-derivative financial assets :					
Non-listed/OTC stocks	\$ 168,938	Market approach	Discount due to lack of market liquidity	25%	The higher the discount due to lack of market liquidity, the lower the fair value
Non-financial assets :					
Investment property	888,462	Income approach	Discount rates for predicted future cash flows	4.85%~7.4%	The higher the discount rate, the lower the fair value

(9) The evaluation process of the fair value is classified into Level 3 :

The Group's evaluation process for classifying the fair value into Level 3 is that the financing and accounting segment is responsible for verifying the fair value of financial instruments, using independent source data to make the evaluation results close to the market status, confirming that the data source is independent, reliable, and other data sources Consistent and representative executable prices, and regularly calibrate the evaluation model, conduct back-testing, update the input values and data required for the evaluation model, and make any other necessary fair value adjustments to ensure that the evaluation results are reasonable.

(10) Sensitivity analysis of fair value measurement of Level 3 and fair value to reasonable and possible alternative assumptions :

		December 31, 2024					
				Recognized in profit or loss		Recognized in other comprehensive income (loss)	
		Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets							
Equity instruments							
Non-listed/OTC stocks	Liquidity discount	±1%		\$ -	\$ -	\$ 1,995	(\$ 1,994)
		December 31, 2023					
				Recognized in profit or loss		Recognized in other comprehensive income (loss)	
		Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets							
Equity instruments							
Non-listed/OTC stocks	Liquidity discount	±1%		\$ -	\$ -	\$ 2,266	(\$ 2,219)

(13) Supplementary Disclosures

1. Significant transactions information (including before writing-off)

- (1) Loans to Others: Please refer to Table 1.
- (2) Endorsements and Guarantees Provided to Others: Table 2.
- (3) Holding of marketable securities at the end of the period: Table 3.
- (4) Marketable Securities Acquired and Disposed of at Costs or Prices of at Least NTD300 Million or 20% of the Paid-in Capital : None.
- (5) Acquisition of individual Real Estate Properties at Costs of At Least NTD300 Million or 20% of the Paid-in Capital : Table 4.
- (6) Disposal of Individual Real Estate Properties at Prices of at Least NTD300 Million or 20% of the Paid-in Capital : None.
- (7) Purchases from or Sales to Related Parties of at Least NTD100 Million or 20% of the Paid-in Capital : None.
- (8) Receivables from Related Parties Amounting to at Least NTD100 Million or 20% of the Paid-in Capital : Table 5.
- (9) Engaging in derivative commodity transactions : None.
- (10) Significant inter-company transactions during the reporting periods : Table 6.

2. Information on investees : Table 7.

3. Information on investments in Mainland China : Table 8.

4. Information on major shareholders (names, shareholdings, and ratios of shareholders with a shareholding ratio of 5% or more) : Table 9.

Table 1

Lily Logistics Development Co., Ltd. and Subsidiaries

Loans to Others

December 31, 2024

No.	Name of financing provider	Name of counter party	Transaction items	Related party?	Maximum balance of the period	Balance (limit) at the end of period	Actual amount provided	Interest rates	Nature of financing activity	Amount of sales to (purchase from) counter-party	Reason for short-term financing	Allowance for loss accounts	Assets pledged		Limit of financing amount for individual counter-party	Limit of total financing amount
													Name	Value		
0	Lily Logistics Development Co., Ltd.	Kunshan Lily Textile Co., Ltd.	Other receivables	Yes	\$ 164, 150	\$ 164, 050	\$ 164, 050	2. 10%	Business dealings	\$ -	Business operations	\$ -	Guarantee notes	\$157, 510	Lily Logistics Development Co., Ltd.'s loan limit for individual objects shall not exceed 20% of the net equity value of \$432,353 thousand in the latest financial statement	Lily Logistics Development Co., Ltd.'s loan limit shall not exceed 40% of the net equity value of \$864,707 thousand in the latest financial statement certified by an accountant or reviewed
		Mighty Business Ltd.	Long-term receivables	Yes	342, 099	341, 647	341, 647	-	Business dealings	-	Business operations	-	None	-	certified by an accountant or reviewed	

Table 2

Lily Logistics Development Co., Ltd. and Subsidiaries
Endorsements and Guarantees Provided to Others
December 31, 2024

No. (Note 1)	Name of endorsement and guarantee company	Endorsee		Endorsement limit for a single entity (Note 3)	Maximum balance for the period	Outstanding endorsement/guarantee balance	Actual amount provided	Amount of collateral guarantee/endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Ceiling on total amount of endorsements/guarantees provided (Note 4)	Guarantee provided by Parent Company	Guarantee provided by subsidiary	Provision of endorsements/guarantees to the party in Mainland China
		Company name	Relationship with the Company (Note 2)										
0	Lily Logistics Development Co., Ltd.	Kunshan Lily Textile Co., Ltd.	3	\$ 432,353	\$ 177,500	\$ 177,500	\$ 177,500	\$ 177,500	8.21%	\$ 1,080,884	Yes	No	Yes

Note 1: The description of the serial number column is as follows:

- (1) Fill in 0 for the issuer.
- (2) Invested companies are numbered sequentially starting from the Arabic numeral 1 according to the company.

Note 2: The relation between the endorser and the endorsed has the following 7 types, which can be marked:

- (1) Companies with transaction relationship.
- (2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) Companies that directly and indirectly hold more than 50% of the Company's voting shares.
- (4) Between companies in which the Company directly and indirectly holds more than 90% of the voting shares.
- (5) Based on the needs of contracting projects, companies in the same industry or between contractors and contractors are mutually endorsement according to the contract.
- (6) The joint investment relation is a company that is endorsed and guaranteed by all shareholders in accordance with their shareholding ratio.

Note 3: The balance of the Company's and its subsidiaries' endorsements to a single enterprise shall not exceed 20% of the Company's net worth.

Note 4: The calculation method of the maximum limit shall not exceed 50% of the net value of the Company's latest financial statement certified by an accountant or reviewed.

Table 3

Lily Logistics Development Co., Ltd. and Subsidiaries
Holding of Marketable Securities By the End of the Period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Unit: thousand shares and thousand NTD

Holding company	Types and names of marketable securities	Relationship with the securities issuer	Accounting item	End of period			
				Number of shares	Number of shares	Number of shares	Number of shares
Lily Logistics Development Co., Ltd.	Funds						
	Mega ESG Taiwan-U.S. Double Profits Fund	—	Financial assets measured at FVTPL - current	500	\$ 4,910		\$ 4,910
	Stocks						
	China Wire & Cable Co., Ltd.	—	Financial assets at FVTOCI - current	224	8,086	—	8,086
	Evertex Fabrinology Ltd.	—	Financial assets at FVTOCI - noncurrent	611	13,555	—	13,555
	Lead Data Inc.	—	"	576	—	—	—
	Fair Friend Ent.Co.,Ltd.	—	"	78	3,545	—	3,545
	Excellence Electronic Co, Ltd.	—	"	1	20	—	20
	Leadwell Cnc Machines Mfg.,Corp.	—	"	50	2,425	—	2,425
	Crownpo Technology Inc.	—	"	1	22	—	22
	Maxspeed Corporation	—	"	174	—	—	—
	Hualon Corporation	—	"	—	—	—	—
	Typhone Company	—	"	118	—	—	—
	Lilyent Corp.	—	"	3,782	71,021	—	71,021
	Sunny Bank Ltd.	—	"	7,451	71,680	—	71,680
	Faith Alliance Corporation	—	"	34	88	—	88
Gisong Enterprise Corporation	Stock						
	Wistron Corporation	—	Financial assets at FVTPL - current	12	1,248	—	1,248
	Great Giant Fibre Garment Co., Ltd.	—	"	169	41,598	—	41,598

Table 4

Lily Logistics Development Co., Ltd. and Subsidiaries
Acquisition of individual Real Estate Properties at Costs of At Least NTD300 Million or 20% of the Paid-in Capital
December 31, 2024

Unit: thousand NTD

Company name	Real estate	Transaction date (Note)	Transaction amount (Fureign currencies are expressed in thousands)	Payment terms	Counterparty	Relationship with the seller	Prior transaction of related counterparty				Price reference	Purpose of acquisition	Other terms
							Owner	Relationship	Transfer Date	Amount			
Lily Textile Co., Ltd.	Buildings	2024/6/12	\$ 830,000	Payment in accordance with the terms of the contract	Tai Ho Construction Co., Ltd.	-	N/A	N/A	N/A	N/A	Professional appraisal	Operational use	None

Note 1 : If an acquired asset is required to be appraised, the appraisal result should be indicated in the “Price reference” column.

Note 2 : The paid-in capital represents the Parent Company's paid-in capital. If a stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company in the balance sheet.

Note 3 : Factual date means the earlier of the transaction contract date, payment date, commission closing date, closing date, board of directors' resolution date, or any other date sufficient to determine the counterparty and the amount of the transaction.

Table 5

Lily Logistics Development Co., Ltd. and Subsidiaries
Receivables from Related Parties Amounting to at Least NTD100 Million or 20% of the Paid-in Capital
December 31, 2024

Company with accounts receivable	Name of counterparty of transaction	Relationship with the Company	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amount of related parties recovered after the due date	Allowance for loss accounts
					Amount	Treatment method		
Lily Logistics Development Co., Ltd.	Mighty Business Ltd. (Note A)	Mutually parent company and subsidiary	\$ 341, 647	—	\$ 341, 647	—	As of the end date of the field work, not all of them have been recovered	\$ — (Note B)
	Kunshan Lily Textile Co., Ltd.	Mutually parent company and sub-subsidiary	867, 900	—	867, 900	—	As of the end date of the field work, not all of them have been recovered	- (Note B)
Mighty Business Ltd.	Kunshan Lily Textile Co., Ltd. (Note A)	Same parent company	346, 636	—	346, 636	—	As of the end date of the field work, not all of them have been recovered	—

Note: A. Because the Company sold machinery and equipment to Kunshan Lily Textile Co., Ltd. through Mighty Business Ltd. The amount due from Mighty Business Ltd. to Kunshan Lily Textile Co., Ltd. of \$346,636 thousand, of which the amount due from Mighty Business Ltd. of the Company is \$341,647 thousand.

Note B. The Company has fully recognized the loss of shareholders' original equity within the scope of statutory obligations, constructive obligations and payments made on behalf of Mighty Business Ltd. and Kunshan Lily Textile Co., Ltd. The total balance of investment loans is \$1,348,062 thousand.

Table 6

Lily Logistics Development Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting periods
December 31, 2024

Unit : NTD thousand

Company	Counter-party	Relationship	Status of transaction			
			Account	Amount	Transaction terms	Percentage (%) of consolidated total operating revenues or total assets
The Company	Mighty	Parent company to subsidiary	Long-term receivables - related parties	\$ 341, 647	The transaction terms (price, payment) are the same as those of regular vendors	4. 46%
			Gains receivable - related parties	53, 737		0. 70%
	Kunshan Lily	Parent company to subsidiary	Other receivables - related parties	1, 029, 769	The transaction terms (price, payment) are the same as those of regular vendors	13. 44%
			Other interest income	3, 302		0. 36%
			Payment on behalf of others	1, 747		0. 02%
Mighty	Kunshan Lily	Subsidiary to subsidiary	Long-term receivables - related parties	18, 784	The transaction terms (price, payment) are the same as those of regular vendors	0. 25%
			Other receivables - related parties	346, 636		4. 53%

Table 7

Lily Logistics Development Co., Ltd. and Subsidiaries
Re-investment related information (excluding invested companies in Mainland China)
December 31, 2024

Unit: thousand shares and thousand NTD

Name of the investors	Name of the investees	Location	Main business and products	Original / investment amount		Shares held as of the end of period			Net profit (loss) of the investee for the current period	Investment gains and losses recognized by the Company (Note)	Notes
				Ending balance of the period	End of last year	Number of Shares	Ratio	Carrying amount			
Lily Logistics Development Co., Ltd.	Lily Construction Co., Ltd.	Taiwan	1. Entrust construction companies to build commercial buildings and public housing for lease and sales businesses. 2. Entrust construction companies to develop industrial zones approved by industrial competent authorities. 3. Brokerage for house rental and sales. 4. Sales agency and reinvestment of the above-mentioned related businesses.	\$ -	\$ -	2,695	44.91%	\$ 175,443	\$ 2,087	\$ 937	Associates
	Giantex Textile Corporation	Taiwan	1. Spinning and weaving of various fibers such as natural fibers, man-made fibers, and chemical fibers. 2. Printing, bleaching, dyeing and finishing of various fiber products. 3. General import and export trade (except futures) (except licensing business) 4. Entrust construction companies to develop industrial zones approved by industrial competent authorities. 5. Entrust construction companies to build commercial buildings and public housing for lease and sales businesses. 6. Design, manufacture and sales of computer system hardware and related software. 7. Import and export of computers and related electronic components. 8. Sales agency and reinvestment of the above-mentioned related businesses.	309,981	309,981	26,818	46.27%	18,746	8,064	3,731	Associates
	Gisong Enterprise Corporation	Taiwan	Spinning of yarn	114,000	114,000	11,400	57.00%	131,926	12,047	6,867	Subsidiary
	Sunny Logistics Co., Ltd.	Taiwan	Logistics	99,211	99,211	7,803	44.76%	295,436	7,508	3,360	Associates
	Lilytex International Corp.	BVI	Based on the instructions of the parent company's operating policies to reinvest in various businesses outside Taiwan	419,541	419,541	12,600	70.59%	(1,299,315)	(68,930)	(48,657)	Subsidiary
	Mighty Business Ltd.	BVI	Based on the instructions of the parent company's operating policies to reinvest in various businesses outside Taiwan	35	35	1	100.00%	(48,747)	(3,038)	(3,038)	Subsidiary

Note : Including the amortization amount of the unrealized profit and loss of forward and backward transactions in the previous year.

Table 8

Lily Logistics Development Co., Ltd. and Subsidiaries
Information on investments in Mainland China
December 31, 2024

(1) Content

Name of the invested companies in Mainland China	Main Business	Amount of paid-in capital	Method of investment (Note 1)	Accumulated amount of remittance from Taiwan to China at the beginning of the current period	Investment flows		Accumulated amount of remittance from Taiwan to China at the end of the current period	Ownership held by the Company (direct or indirect)	Net profit (loss) of the investee for the current period	Investment (loss) gain recognized for the current period (Note 2)	Carrying value at end of year	Accumulated amount of investment income remitted back as of the end of this period
					Outward remittance	Recovery						
Kunshan Lily Textile Co., Ltd.	Warehouse leasing	USD 24,782	(2)	\$ 419,511 (USD 12,600)	\$ -	\$ -	\$ 419,511 (USD 12,600)	55.21%	(\$ 88,134)	(\$ 68,930) (2)2	(\$ 1,524,958)	\$ -

Note 1: The investment methods are divided into the following three types, and the type of type can be marked:

- (1) Directly to the mainland China to engage in investment.
- (2) Reinvest in the mainland China through companies in the third region.
- (3) Subsidiaries reinvested and established in Mainland China.

Note 2: In the current period recognized investment profit and loss column:

- (1) If it is under preparation and there is no investment profit or loss, it should be indicated.
- (2) The recognition basis of investment profit and loss is divided into the following three types, which shall be specified.
 1. Financial statements audited by an international accounting firm that has a cooperative relationship with the accounting firm of the Republic of China.
 2. The financial statements audited by CPA of the parent company in Taiwan.
 3. Preliminary statement.

Note 3: Relevant figures in this Table shall be denominated in NTD.

Name of the invested companies in the Mainland China	Accumulated amount of remittance from Taiwan to Mainland China as of the end of the period	Investment amounts authorized by Investment Commission, MOEA	Ceiling on investments in China imposed by the Investment Commission of MOEA
Kunshan Lily Textile Co., Ltd.	\$ 419,511	USD 12,600	\$ 1,297,060

Note: According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs, if the net value is less than NTD5 billion, the cumulative amount or proportion of its investment in the mainland is capped at 60% of the net value or NTD80 million (whichever is higher).

(2) Significant transactions with invested companies in Mainland China that occurred indirectly through third-region enterprises :

For the major direct or indirect transactions between the Company and its investee companies in Mainland China in 2024, please refer to the "Information on Material Transactions" and the consolidated financial report "Business Relationship between Parent and Subsidiary Companies and Important Transactions".

Table 9

Lily Logistics Development Co., Ltd.
Information on Major Shareholders
December 31, 2024

Unit : thousand shares

Name of Major Shareholders	Shares	Number of Shares Held	Percentage of ownership
Sunny Logistics Co., Ltd.		13, 267	9. 80%
Riter Shun Trading Company Limited		12, 120	8. 95%
Xin Rong Investment Co., Ltd.		10, 461	7. 72%
Su, Ching-Yuan		10, 456	7. 72%
Yisheng Investment Co., Ltd.		8, 987	6. 64%
Su, Hao-Yi		7, 165	5. 29%

(14) Segment Information

1. General Information

For management purposes, the Group's operating decision makers divide operating units based on business entities, and divide the main reporting segments into spinning and logistics segments. Due to the small scale of operations, the operations of some subsidiaries are not included in the operational decision-making report, so they are not included in the reportable departments, and their operating results are consolidated and expressed under "Other Segments":

Sales segment: Sales and agency business of various cloth products and other commodities. Originally belonging to the textile segment, after the Group's business decision-makers decided to stop the production business of the cotton spinning, and the major business of the textile segment has gradually transformed into various sales businesses since 2019.

Logistics segment: Warehousing leasing, tallying and processing business.

2. Measurement basis

The Group's operating decision makers individually monitor the operating results of each operating unit to make decisions on resource allocation and performance evaluation. The performance of the segment is evaluated based on operating net (loss) and measured in a manner consistent with operating net (loss) in the financial report. The accounting policies of the operating segments are the same as those in the summary of the significant accounting policies described in Note (4) to the financial report.

3. The operating segment information is as follows :

(1) 2024

	Unit : thousand NTD				
	Sales segment	Logistics segment	Other business segment	Reconciliation and cancellation	Total
Operating revenue :					
External customer	\$ 132,881	\$ 791,515	\$ -	\$ -	\$ 924,396
Inter-segment	-	-	-	-	-
Total revenue	\$ 132,881	\$ 791,515	\$ -	\$ -	\$ 924,396
Segment profit	(\$ 11,219)	\$ 331,087	\$ -	\$ -	\$ 319,868
Segments assets	\$ 652,019	\$ 8,933,707	\$ -	(\$ 1,926,065)	\$ 7,659,661
Segments liabilities	\$ 469,317	\$ 8,601,923	\$ -	(\$ 3,142,201)	\$ 5,929,039

(2) 2023

	Unit : thousand NTD				
	Sales segment	Logistics segment	Other business segment	Reconciliation and cancellation	Total
Operating revenue :					
External customer	\$ 117,217	\$ 663,538	\$ -	\$ -	\$ 780,755
Inter-segment	-	-	-	-	-
Total revenue	\$ 117,217	\$ 663,538	\$ -	\$ -	\$ 780,755
Segment profit	(\$ 21,983)	\$ 285,235	\$ -	\$ -	\$ 263,252
Segments assets	\$ 615,858	\$ 8,215,646	\$ -	(\$ 1,804,835)	\$ 7,026,669
Segments liabilities	\$ 442,165	\$ 7,923,322	\$ -	(\$ 2,943,920)	\$ 5,421,567