

Stock Code: 1443

Lily Logistics Development Co., Ltd.
(Original Name: Lily Textile Co., Ltd.)
Parent Company Only 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.

Table of Contents

Item	Pages
Cover	1
Table of Contents	2
Independent Auditors' Report	3
Parent Company Only Balance Sheets	4
Parent Company Only Statements of Comprehensive Income	5
Parent Company Only Statements of Changes in Equity	6
Parent Company Only Statements of Cash Flows	7
Notes to Parent Company Only Financial Statements	
(1) General Information	8
(2) The Authorization of Financial Statements	8
(3) Application of Newly Issued and Amended Standards and Interpretations	8~14
(4) Summary of Significant Accounting Policies	14~33
(5) Major Sources of Critical Accounting Judgments, Estimates and Uncertainties	33~37
(6) Description of Significant Accounts	38~66
(7) Related Party Transactions	66~70
(8) Pledged Assets	70
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	70
(10) Significant Disaster Losses	70
(11) Significant Subsequent Events	71
(12) Others	71~81
(13) Supplementary Disclosures	82
1. Significant transactions information	82
2. Information on investees	82
3. Information on investment in Mainland China	82
4. Information on major shareholders	82
(14) Segment Information	82
Schedule of Significant Accounting Items	
	92~110

Independent Auditors' Report

To: Lily Logistics Development Co., Ltd.

Opinion

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

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company 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.

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 Parent Company Only Financial Statements section of our report. We are independent of the Company 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 Parent Company Only Financial Statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Parent Company Only 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 Parent Company Only 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)6, Note (6)5 and Note (7) of the Parent Company Only Financial Statements.

Since impairment of the Company'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 Company's allowance for accounts receivable and impairment loss.
3. Obtained assessment document for allowance for receivables, reviewed whether or not the Company's policies are followed and whether or not the management's disclosures related to allowance for receivables are appropriate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for preparation and fair presentation of the Parent Company Only 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 Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, management is responsible for assessing the Company'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 Company, to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only 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 Parent Company Only 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 Parent Company Only 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 Company'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 Company'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 Parent Company Only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements (including the related notes) and whether the Parent Company Only 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 Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the guidance, supervision and performance for the audit of the Company. 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 that may reasonably be thought to affect our independence and other matters (including 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 Parent Company Only 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 Parent Company Only Financial Statements are intended only to present the Parent Company Only 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 Parent Company Only Financial Statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying Parent Company Only 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 Parent Company Only Financial Statements shall prevail.

Lily Logistics Development Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit : Thousand NTD

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note (6)1)	\$ 70,228	1	\$ 55,309	1
1110	Financial assets at FVTPL - current (Note (6)2)	4,910	–	–	–
1120	Financial assets at FVTOCI - current (Note (6)3)	8,086	–	8,590	–
1150	Notes receivable, net (Note (6)4)	178	–	848	–
1170	Accounts receivable, net (Note (6)5)	79,832	1	64,881	1
1180	Accounts receivable - related parties (Note (7))	25	–	25	–
1200	Other receivables (Note (6)6)	4,177	–	3,437	–
1210	Other receivables - related parties (Note (7))	1,083,507	14	1,013,244	14
1220	Current-period income tax assets	843	–	843	–
1310	Inventories, net (Note (6)7)	103	–	1,137	–
1321	Land and buildings for sale (Note (6)8)	4,918	–	4,918	–
1410	Prepayments	21,066	–	7,713	–
1476	Other financial assets - current (Notes (6)9, (8))	177,500	2	177,120	2
1479	Other current assets - other (Note (7))	2,008	–	1,753	–
11xx	Total Current Assets	1,457,381	18	1,339,818	18
	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))	621,551	8	586,656	8
1600	Property, plant and equipment (Notes (6)11, (8))	5,365,715	67	4,781,551	66
1755	Right-of-use assets (Note (6)12)	6,831	–	6,728	–
1900	Other noncurrent assets (Notes (6)13, (7))	382,171	5	390,135	5
15xx	Total Noncurrent Assets	6,538,624	82	5,948,225	82
1xxx	Total Assets	\$ 7,996,005	100	\$ 7,288,043	100

(continued to next page)

(continued from previous page)

Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current Liabilities				
2100	Short-term borrowings (Note (6)14)	\$ 791,000	10	\$ 420,000	6
2110	Short-term notes and bills payable (Note (6)15)	99,929	1	–	–
2150	Notes payable	27,945	–	9,324	–
2160	Notes payable - related parties (Note (7))	183	–	169	–
2170	Accounts payable	1,428	–	289	–
2200	Other payables	93,907	1	78,485	1
2220	Other payables - related parties (Note (7))	198	–	146	–
2230	Current-period income tax liability	40,115	1	–	–
2250	Provisions - current (Note (6)16)	3,942	–	3,324	–
2280	Lease liabilities - current (Note (6)12)	4,410	–	4,147	–
2320	Long-term liabilities due within one year or within one business cycle (Note (6)17)	309,183	4	1,444,000	20
2399	Other current liabilities - other	492	–	523	–
21xx	Total Current Liabilities	1,372,732	17	1,960,407	27
	Noncurrent Liabilities				
2540	Long-term borrowings (Note (6)17)	2,656,241	33	1,642,000	23
2570	Deferred income tax liabilities (Note (6)29)	380,663	5	370,231	5
2580	Lease liabilities - noncurrent (Note (6)12)	2,260	–	2,419	–
2640	Net defined benefit liability - noncurrent (6)18)	16,481	–	15,234	–
2670	Other noncurrent liabilities - other (Note (6)19)	1,405,861	18	1,321,944	18
25xx	Total Noncurrent Liabilities	4,461,506	56	3,351,828	46
2xxx	Total Liabilities	5,834,238	73	5,312,235	73
	Equity				
3100	Capital (Note (6)20)	1,353,430	17	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	11
3410	Exchange differences on translation of foreign operations	71,984	1	104,206	1
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
3xxx	Total Equity	2,161,767	27	1,975,808	27
	Total Liabilities and Equity	\$ 7,996,005	100	\$ 7,288,043	100

(The accompanying notes form an integral part of the parent company only financial statements)

Lily Logistics Development Co., Ltd.
Parent Company Only 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 (Note (6)24)	\$ 749,205	100	\$ 659,506	100
5000	Operating costs (Note (6)7, 25)	(394,707)	(53)	(352,630)	(53)
5900	Gross profit	354,498	47	306,876	47
6000	Operating expenses (Note (6)25)	(60,724)	(8)	(44,153)	(7)
6100	Selling expenses	(9,435)	(1)	(8,143)	(1)
6200	Administrative expenses	(51,289)	(7)	(36,010)	(6)
6900	Net operating income	293,774	39	262,723	40
7000	Non-operating income and expenses	2,685	-	(88,012)	(13)
7100	Interest income	6,223	1	7,562	1
7010	Other income (Note (6)26)	3,384	-	2,090	-
7020	Other gains and losses (Note (6)27)	93,337	12	(2,643)	-
7050	Finance costs (Note (6)28)	(63,459)	(8)	(58,117)	(9)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (Note (6)10)	(36,800)	(5)	(36,904)	(5)
7900	Income before income tax	296,459	39	174,711	27
7950	Income tax expense (Note (6)29)	(50,941)	(6)	-	-
8200	Net Income	245,518	33	174,711	27
8300	Other comprehensive income (loss), net of tax (Note (6)30)	(59,753)	(8)	111,848	17
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (Note (6)18)	(2,155)	-	(2,014)	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at FVTOCI	(45,182)	(6)	21,739	3
8336	Unrealized valuation gains or losses on investments in equity instruments (subsidiaries, associates and joint ventures accounted for using equity method) measured at FVTOCI (Note (6)10)	19,806	2	71,541	11
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(32,222)	(4)	20,582	3
8500	Total comprehensive income	\$ 185,765	25	\$ 286,559	44
Earnings Per Share (Note (6)31)					
9750	Basic earnings per share (NTD)	\$ 1.81		\$ 1.29	
9850	Diluted earnings per share (NTD)	\$ 1.81		\$ 1.29	

(The accompanying notes form an integral part of the parent company only financial statements)

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

Unit : Thousand NTD

Item	Share Capital - Common Shares	Capital Surplus	Retained Earnings	Other Equity Items			Total Equity
			Accumulated deficit	Exchange differences from 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
Net income for 2023	–	–	174,711	–	–	–	174,711
Other comprehensive income for 2023	–	–	(2,014)	20,582	93,280	–	111,848
Balance, December 31, 2023	1,353,430	701	(217,817)	104,206	231,656	503,632	1,975,808
Changes in associates and joint ventures accounted for using equity method	–	–	194	–	–	–	194
Net income for 2024	–	–	245,518	–	–	–	245,518
Other comprehensive income for 2024	–	–	(2,155)	(32,222)	(25,376)	–	(59,753)
Balance, December 31, 2024	\$ 1,353,430	\$ 701	\$ 25,740	\$ 71,984	\$ 206,280	\$ 503,632	\$ 2,161,767

(The accompanying notes form an integral part of the parent company only financial statements)

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

Unit : Thousand NTD

Item	2024	2023
Cash flows from operating activities :		
Net profit before tax from continuing operations	\$ 296,459	\$ 174,711
Adjustment items :		
Income/gain or expense/loss items not affecting cash flows		
Depreciation expense	110,495	97,094
Amortization expense	3,970	2,353
Net loss of financial assets measured at FVTPL	92	-
Interest expense	63,459	58,117
Interest income	(6,223)	(7,562)
Dividend income	(2,898)	(1,935)
Share of losses (profits) of subsidiaries, associates, and joint ventures under equity method	36,800	36,904
Net loss (gain) on disposal or scrapping of property, plant and equipment	(55)	(300)
Net loss (gain) from disposal of investments	41	-
Changes in current assets and liabilities related to operating activities		
Decrease (increase) in notes receivable	683	1,554
Decrease (increase) in accounts receivable	(14,964)	(4,760)
Decrease (increase) in accounts receivable – related parties	-	2,676
Decrease (increase) in other receivables	(938)	2,734
Decrease (increase) in other receivables – related parties	(70,263)	(3,756)
Decrease (increase) in inventories	1,034	518
Decrease (increase) in prepayments	(13,709)	(2,400)
Decrease (increase) in other current assets	(255)	(6)
Decrease (increase) in other financial assets	(380)	4,413
Increase (decrease) in contract liabilities	-	(1,637)
Increase (decrease) in notes payable	18,621	(4,148)
Increase (decrease) in notes payable – related parties	14	17
Increase (decrease) in accounts payable	1,139	(3,278)
Increase (decrease) in other payables	15,953	2,349
Increase (decrease) in other payables – related parties	52	(64)
Increase (decrease) in provisions	618	306
Increase (decrease) in other current liabilities	(31)	206
Increase (decrease) in net defined benefit liabilities	(908)	(4,027)
Cash generated from (used in) operations	438,806	350,079
Interest received	6,421	7,602
Dividend received	2,898	7,635
Interest paid	(65,716)	(57,558)
Income tax refunded (paid)	(394)	(81)
Net cash flows from (used in) operating activities	382,015	307,677

(continued to next page)

(continue from previous page)

Item	2024	2023
Cash flows from investing activities :		
Acquisition of FVTOCI financial assets	(23, 879)	(10, 937)
Acquisition of FVTPL financial assets	(10, 004)	–
Disposal of investments accounted for using equity method	4, 961	–
Acquisition of property, plant and equipment	(498, 627)	(540, 805)
Disposal of property, plant and equipment	55	300
Decrease (increase) in refundable deposits	(3, 150)	(1, 100)
Increase in overdue receivables (including long-term receivables)	(22, 455)	(976)
Increase in other noncurrent assets	(490)	(4, 963)
Increase in prepayments for equipment	(158, 707)	(47, 232)
Net cash flows from (used in) investing activities	(712, 296)	(605, 713)
Cash flows from financing activities :		
Increase in short-term borrowings	371, 000	235, 000
Increase in short-term notes and bills payable	100, 000	–
Borrowing (repayment) of long-term borrowings	(120, 576)	54, 000
Increase (decrease) in guarantee deposits received	–	169
Lease principal repayments	(5, 224)	(4, 314)
Net cash flows from (used in) financing activities	345, 200	284, 855
Increase (decrease) in cash and cash equivalents	14, 919	(13, 181)
Cash and cash equivalents, beginning of year	55, 309	68, 490
Cash and cash equivalents, end of year	\$ 70, 228	\$ 55, 309

(The accompanying notes form an integral part of the parent company only financial statements)

Lily Logistics Development Co., Ltd.
Notes to Parent Company Only 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.

(2) The Authorization of Financial Statements

The accompanying Parent Company Only Financial Statements were approved and authorized for issue by the Company'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)
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 Company’s assessment, the application of the New IFRSs above will not have significant impact on the Company’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 Company’s assessment, the application of the New IFRSs above will not have significant impact on the Company’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	January 1, 2026

New IFRSs	Effective Date Announced by IASB
Nature-dependent Electricity”	
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 Company’s assessment, the application of the New IFRSs above will not have significant impact on the Company’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 Company is continuously evaluating the impact of the above standards and interpretations on the Company'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 parent company only 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 parent company only 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 parent company only 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.

(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 Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas

where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note (5).

3. Foreign Currency Conversion

- (1) Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency.
- (2) In preparing the financial statements of each individual parent company only 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 parent company only financial statements, the assets and liabilities of the Company'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.

4. 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 Company 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 Company classifies all liabilities that do not meet the above conditions as noncurrent.

5. 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.)

6. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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. When any financial asset meets one of the following conditions, the Company will designate it as measured at fair value through profit or loss at the time of original recognition:

- a. Being a mixed (combined) contract; or
- b. May eliminate or significantly reduce measurement or recognition inconsistencies; or
- c. An investment that is managed and evaluated on a fair value basis in accordance with a written risk management or investment strategy.

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 Company 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 Company'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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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.

7. 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.

8. 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.

9. Noncurrent assets to for sales (or disposal of groups)

When the carrying amount of noncurrent assets (or assets for disposal) is mainly recovered through sales transactions rather than continued usage and it is highly likely to be sold, they shall be classified as assets for sales measured at the lower of its carrying value or fair value, less costs of sales.

10. Investment accounted for using equity method

- (1) The subsidiary refers to an entity (including a structured entity) controlled by the Company, when the firm is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, it shall be regarded that the Company is controlling the entity.
- (2) Unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
- (3) The Company recognizes the share of profit and loss acquired by the subsidiary as profit and loss of the current period, and the share of other comprehensive profit and loss acquired by the Company as other comprehensive profit or loss. If the share of losses recognized by the Company for a subsidiary is equal to or exceeds the equity in the subsidiary, the Company will continue to recognize losses in proportion to its shareholding.
- (4) If the change in the shareholding of the subsidiary does not result in a loss of control (transactions with non-controlling interests), it will be regarded as an equity transaction, which is being regarded as the transaction with the owner. Any difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.

- (5) When the Company loses control over the subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and adopted as the fair value of the originally recognized financial assets or the cost of the originally recognized investment in associates or joint ventures. The difference between the fair value and the carrying amount is recognized as profit or loss of the current period. For all amounts previously recognized in other comprehensive profit or loss related to the subsidiary, 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 subsidiary is lost, the benefit or loss will be reclassified from equity to profit or loss.
- (6) Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly, 20 percent or more of the voting power of the investee. Investments in associates are initially recognized at cost and are accounted for using the equity method.
- (7) The Company's share of its associate's profit or loss after the date of acquisition is recognized in the Company's profit or loss, and its share of changes in the associate's other comprehensive income is recognized in the Company's other comprehensive income. When the Company's share of losses of its associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- (8) Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- (9) In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its

share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- (10) Upon loss of significant influence over an associate, the Company remeasures any retained investment in the former associate at its fair value. Any difference between the fair value and carrying amount is recognized in profit or loss.
- (11) When the Company disposes its investment in an associate, if it loses significant influence over the associate, the Company shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associate had directly disposed of the related assets or liabilities, i.e. identical with those recognized as comprehensive income shall be reclassified as profit or loss at the disposal. If the it still retains significant influence over the associate, then the Company shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.
- (12) When the Company disposes its investment in an associate, if it loses significant influence over the associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over the associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- (13) Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss during the period and other comprehensive income presented in the parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to the owners of the parent company presented in the financial reports prepared on a consolidated basis and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

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 Company 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
Utilities equipment	2~30 years
Transportation equipment	3~20 years
Miscellaneous equipment	4~35 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 Company assesses whether the contract is, or contains, a lease. For a contract that contains a lease component and non-lease components, the Company 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 Company 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 Company 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 Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company'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 Company 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 Company'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 Company 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 Company 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 Company 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 Company 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 Company 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 Company does not adjust the promised amount of consideration for the effect of a significant financing component.

Sale of goods

The Company 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 Company has objective evidence that all acceptance conditions have been satisfied.

The Company recognized the accounts receivable when the products are delivered since the Company 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 Company 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. 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 Company takes into account the economic impact of the covid-19 pandemic / changes in climates and related governmental policies and regulations / the conflicts between Ukraine and Russia as well as related international sanctions / inflation and volatility in interest rate on significant accounting estimates and reviews the basic assumptions and estimation on an ongoing basis. If a change in accounting estimate affects only the current period, the effect is recognized in the current period. If a change in accounting estimate affects both current and future periods, the effects are recognized in both periods.

In the preparation of the consolidated financial statements, the critical accounting judgments the Company 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 Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment involves judgment and consideration of all relevant evidence, such as how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how the managers of the assets are compensated. The Company constantly assess the adequacy of its business model and monitors financial assets measured at amortized cost and debt investments measured at FVTOCI. When these assets are derecognized prior to their maturity, the Company reviews the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. If the objective of the business for an asset is changed, the classification of the asset is prospectively changed from the reclassification date in accordance with IFRS 9.

(2) Revenue recognition

A. The Company assesses if it controls the specified good or service before that good or service is transferred to a customer to determine whether it is acting as a principal or as an agent in the transaction in accordance with IFRS 15. Where the Company acts as an agent, revenue is recognized on a net basis.

When another party is involved in providing goods or services to a customer, the Company is a principal if the Company obtains control of any one of the following:

- (A) a good or another asset from the other party that it then transfers to the customer.
- (B) a right to a service to be performed by the other party, which gives the Company the ability to direct that party to provide the service to the customer on the Company's behalf.
- (C) a good or service from the other party that it then combines with other goods or services in providing the specified good or service to the customer.

B. Indicators that the Company controls the specified good or service before it is transferred to the customer include, but are not limited to, the following:

- (A) the entity is primarily responsible for fulfilling the promise to provide the specified good or service.
- (B) the entity has Inventories risk before or after the specified good or service has been transferred to a customer.

- (C) the entity has discretion in establishing the price for the specified good or service.

(3) Lease terms

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

(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)9 "Investments Accounted for Using Equity Method", the Company holds 44.76% of the voting rights of Sunny Logistics Co., Ltd. and is the single principal shareholder of Sunny Logistics Co., Ltd. However, as the decision-making unit addressing activities of Sunny Logistics Co., Ltd. is the Board of Directors, and as the Company has not been elected as a director of Sunny Logistics Co., Ltd., it cannot instruct the business decision-making. Therefore, the Company only has significant influence but no control over Sunny Logistics Co., Ltd., and it is listed as an associate of the Company accordingly.
- B. As stated in Note (6)9 "Investments Accounted for Using Equity Method", the Company 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 addressing activities of Lily Construction Co., Ltd. is the Board of Directors, and the Company has not been elected as a director of Lily Construction Co., Ltd., and hence it cannot instruct the business decision-making. Therefore, the Company only has significant influence but no control over Lily Construction Corp., and it is listed as an associate of the Company accordingly.
- C. As stated in Note (6)9 "Investments Accounted for Using Equity Method", the Company 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 addressing activities of Giantex Textile Corporation

is the Board of Directors, and the Company has not been elected as a director of Giantex Textile Corporation, and hence it cannot instruct the business decision-making. Therefore, the Company only has significant influence but no control over Giantex Textile Corporation, and it is listed as an associate of the Company accordingly.

2. Important accounting estimates and assumptions

(1) Revenue recognition

Sales revenue, excluding related estimated sales returns, discounts and other similar allowance, is recognized when the control of goods or services is transferred to the customer and the Company satisfies its performance obligation. The Company estimates sales returns and allowance based on historical experience and other known factors. The Company reassesses the reasonableness of the estimates periodically.

(2) Impairment of financial assets

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

(3) Fair value measurement and evaluation process

Where some of the Company's assets and liabilities measured at fair value have no quoted prices in active markets, the Company determines, based on relevant regulations and judgment, whether to engage third party qualified valuers and the appropriate valuation techniques for the fair value measurements. Where Level 1 inputs are not available, the Company determines appropriate inputs by referring to the analyses of the financial position and the operation results of the investees, the most recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable entities. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly.

The Company updates inputs periodically according to market conditions to monitor the appropriateness of the fair value measurement.

(4) Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Company determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and

the future cash flows of a specific group of the assets. Changes in economic circumstances or the Company's strategy might result in material impairment of assets in the future.

(5) Impairment testing of investment using the equity method

The Company assesses the impairment of an investment accounted for using the equity method once there is any indication that it might have been impaired and its carrying amount is not recoverable. The Company assesses the recoverable amounts of an investment accounted for using the equity method based on the present value of the Company's share of expected future cash flows of the investee or the present value of expected cash dividends receivable from the investee and expected future cash flows from disposal of the investment, analyzing the reasonableness of related assumptions.

(6) Realization of deferred income tax assets

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

(7) Valuation of Inventories

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

(8) Computation of net defined benefit liabilities

When calculating the present value of defined benefit obligations, the Company uses judgments and actuarial assumptions to determine related estimates, including discount rates and future salary increase rate. Changes in these assumptions may have a significantly impact on the carrying amount of defined benefit obligations.

(6) Description of Significant Accounts

1. Cash and cash equivalents

Item	December 31, 2024	December 31, 2023
Cash	\$ 403	\$ 403
Checking deposits	28,638	26,941
Demand deposit	16,280	5,649
Foreign currency deposits	24,907	22,316
Total	<u>\$ 70,228</u>	<u>\$ 55,309</u>

- (1) The Company deposits its cash and cash equivalents at several financial institutions that have high credit quality to diversify its risk. Therefore, the Company considers its cash and cash equivalents to have low credit risk.
- (2) The Company has no cash and cash equivalents pledged to others.

2. Financial assets at FVTPL - current

Item	December 31, 2024	December 31, 2023
Mandatorily measured at FVTPL		
Beneficiary certificates - funds	<u>\$ 4,910</u>	<u>\$ -</u>

- (1) The Company recognized \$92 thousand and \$0 of net loss as of December 31, 2024 and 2023, respectively.
- (2) The Company has no Financial assets at FVTPL pledged 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	<u>133,925</u>	<u>110,046</u>
Valuation adjustment	<u>28,431</u>	<u>73,109</u>
Total	<u>\$ 162,356</u>	<u>\$ 183,155</u>

- (1) The Company 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 Company'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	\$ 178	\$ 861
Less : Loss allowance	<u>-</u>	<u>(13)</u>
Notes receivable, net	<u>\$ 178</u>	<u>\$ 848</u>

- (1) The Company'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	\$ 80,161	\$ 65,197
Less : Loss allowance	(329)	(316)
Accounts receivable, net	<u>\$ 79,832</u>	<u>\$ 64,881</u>

- (1) The Company'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 Company's accounts receivable have not been pledged.

A. The Company 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 Company 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	-	\$ 1,169,143	\$ -	\$1,169,143
Overdue 0-30 days	1% or above	-	-	-
Overdue 31-90 days	5% or above	-	-	-
Overdue for more than 91 days	20% or above	366,419	7,412	359,007
Total		<u>\$ 1,535,562</u>	<u>\$ 7,412</u>	<u>\$1,528,150</u>

December 31, 2023	Expected credit loss rate	Total carrying amount	Allowance for loss (lifetime expected credit loss)	Amortized cost
Not overdue	-	\$ 1,083,859	\$ -	\$1,083,859
Overdue 0-30 days	1% or above	-	-	-
Overdue 31-90 days	5% or above	-	-	-
Overdue for more than 91 days	20% or above	343,964	7,412	336,552
Total		<u>\$ 1,427,823</u>	<u>\$ 7,412</u>	<u>\$1,420,411</u>

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

	2024	2023
Beginning balance	\$ 7,412	\$ 7,412
Plus : Provision for impairment loss	–	–
Less: Impairment loss reversed	–	–
Less: Write-off due to inability to recover	–	–
Foreign currency conversion difference	–	–
Ending balance	<u>\$ 7,412</u>	<u>\$ 7,412</u>

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

- (4) The Company's impairment losses on accounts receivable in 2024 and 2023 are \$ 0 thousand for both years.

6. Other receivables, net

Item	December 31, 2024	December 31, 2023
Proceeds receivable	\$ 77	\$ 275
Other receivables - other	5,195	4,257
Less : Loss allowance	(1,095)	(1,095)
Net amount	<u>\$ 4,177</u>	<u>\$ 3,437</u>

7. Inventories

Item	December 31, 2024	December 31, 2023
Work in progress	\$ 103	\$ 602
Finished goods	–	535
Total	<u>\$ 103</u>	<u>\$ 1,137</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	\$ 36,803	\$ 67,860
Inventories price loss (recovery gain)	1,076	(1,915)
Inventory scrapping loss	–	275
Warehousing costs	356,828	286,410
Total operating costs	<u>\$ 394,707</u>	<u>\$ 352,630</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 respectively \$(1,076) thousand and \$1,915 thousand.
- (3) The Company does not pledge the inventories.

8. Real estate and construction land

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)	<u>\$ 177,500</u>	<u>\$ 177,120</u>

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

10. Investments accounted for using equity method

	December 31, 2024	December 31, 2023
Investment in subsidiaries	\$ 131, 926	\$ 125, 060
Investment in associates	489, 625	461, 596
Total	<u>\$ 621, 551</u>	<u>\$ 586, 656</u>

(1) Investment in subsidiaries :

A. The Company's subsidiaries are listed as follows:

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding %	Carrying amount	Shareholding %
Gisong Enterprise Corporation	\$ 131, 926	57. 00	\$ 125, 060	57. 00
Lilytex International Corp.	(1, 299, 315)	70. 59	(1, 218, 435)	70. 59
Mighty Business Ltd.	(48, 747)	100. 00	(45, 710)	100. 00
Subtotal	(1, 216, 136)		(1, 139, 085)	
Plus : Long-term equity investment loan balance transferred to other liabilities	1, 348, 062		1, 264, 145	
Total	<u>\$ 131, 926</u>		<u>\$ 125, 060</u>	

B. For information about the Company's subsidiaries, please refer to Note (4)3 of the Company's 2024 financial reports.

(2) Investment in associates :

A. The Company's investment in associates are listed as follows:

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding %	Carrying amount	Shareholding %
Sunny Logistics Co., Ltd.	\$ 295, 436	44. 76	\$ 272, 558	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, 596</u>	

B. The shares of individually insignificant associates of the Company 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	\$ 1,984,699	\$ 1,960,609
Buildings	2,823,003	2,053,219
Other equipment	1,179,957	892,325
Equipment to be inspected and unfinished constructions	167,630	561,008
Total costs	6,155,289	5,467,161
Less: Accumulated depreciation and impairment	(789,574)	(685,610)
Total	\$ 5,365,715	\$ 4,781,551

Costs	Land	Buildings	Other equipment	Equipment to be inspected and unfinished constructions	Total
Balance as of January 1, 2024	\$ 1,960,609	\$ 2,053,219	\$ 892,325	\$ 561,008	\$ 5,467,161
Addition	24,090	2,766	559	472,867	500,282
Disposal	–	–	(1,306)	–	(1,306)
Reclassification	–	767,018	288,379	(866,245)	189,152
Balance as of December 31, 2024	\$ 1,984,699	\$ 2,823,003	\$ 1,179,957	\$ 167,630	\$ 6,155,289
Accumulated depreciation and impairment					
Balance as of January 1, 2024	\$ –	\$ 421,655	\$ 263,955	\$ –	\$ 685,610
Depreciation	–	67,189	38,081	–	105,270
Disposal	–	–	(1,306)	–	(1,306)
Reclassification	–	–	–	–	–
Balance as of December 31, 2024	\$ –	\$ 488,844	\$ 300,730	\$ –	\$ 789,574

	Land	Buildings	Machines and equipment	Other equipment	Equipment to be inspected and unfinished constructions	Total
<u>Costs</u>						
Balance as of January 1, 2023	\$ 1,957,963	\$ 1,797,211	\$ 19,607	\$ 839,836	\$ 290,050	\$ 4,904,667
Addition	2,646	44,746	–	7,486	520,967	575,845
Disposal	–	–	(19,605)	(31,844)	–	(51,449)
Reclassification	–	211,262	(2)	76,847	(250,009)	38,098
Balance as of December 31, 2023	<u>\$ 1,960,609</u>	<u>\$ 2,053,219</u>	<u>\$ –</u>	<u>\$ 892,325</u>	<u>\$ 561,008</u>	<u>\$ 5,467,161</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2023	\$ –	\$ 363,070	\$ 19,605	\$ 261,416	\$ –	\$ 644,091
Depreciation	–	58,585	–	34,383	–	92,968
Disposal	–	–	(19,605)	(31,844)	–	(51,449)
Reclassification	–	–	–	–	–	–
Balance as of December 31, 2023	<u>\$ –</u>	<u>\$ 421,655</u>	<u>\$ –</u>	<u>\$ 263,955</u>	<u>\$ –</u>	<u>\$ 685,610</u>

- (1) 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	\$ 500,282	\$ 575,845
Increase (decrease) of payable equipment fees	(1,655)	(35,040)
Cash paid for purchase of property, plant and equipment	<u>\$ 498,627</u>	<u>\$ 540,805</u>

- (2) The property, plant and equipment of the Company are mainly for self-use purposes.
- (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, 2023, due to legal restrictions, the Company is not yet able to register in the name of the Company, and the land temporarily registered in the name of an individual was \$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)
Total	\$6,831	\$6,728

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	\$17,707
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	\$10,876

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	
Balance as of January 1, 2023	Transportation equipment
Depreciation expense	\$ 1,525
De-recognition in this period	4,126
Recognition (reversal) of impairment loss	–
Balance as of January 1, 2023	–
Increase this period	\$ 5,651

(2) Lease liabilities

Item	December 31, 2024	December 31, 2023
Carrying amount of the lease liability		
Current	\$ 4,410	\$ 4,147
Noncurrent	\$ 2,260	\$ 2,419

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

Item	December 31, 2024	December 31, 2023
Transportation equipment	1.370%~2.000%	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) Other lease information

A. In 2024 and 2023, the Company 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.

B. The Company'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. Other noncurrent assets

Item	December 31, 2024	December 31, 2023
Prepayment for equipment	\$ 5, 138	\$ 35, 583
Refundable deposits	15, 762	12, 612
Overdue receivables	5, 988	5, 988
Less: Loss allowance - overdue receivables	(5, 988)	(5, 988)
Long-term accounts receivable - related parties	360, 431	337, 976
Long-term prepayments	840	3, 964
Total	\$ 382, 171	\$ 390, 135

For information about long-term accounts receivable - related parties, please refer to Note (7).

14. Short-term borrowings

Nature of Borrowing	December 31, 2024	
	Amount	Interest rate
Mortgage loan	\$ 791, 000	0. 5%-2. 075%

Nature of Borrowing	December 31, 2023	
	Amount	Interest rate
Mortgage loan	\$ 420, 000	1. 94%-1. 95%

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

15. Bills and notes payable

Item	December 31, 2024	December 31, 2023
Commercial papers payable	\$ 100,000	\$ –
Less : Unamortized discount	(71)	–
Net amount	\$ 99,929	\$ –
Interest rates	1.72%	–

16. Provisions - current

Item	December 31, 2024	December 31, 2023
Employee benefits	\$ 3,942	\$ 3,324

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

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

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

Loaning institutions	Maturity Date	December 31, 2024	December 31, 2023	Repayment method
Sunny Bank	2031.07.15	\$ 47,000	\$ –	Note (1)
Sunny Bank	2027.12.30	390,000	450,000	Note (2)
Sunny Bank	2027.07.15	228,000	–	Note (3)
Sunny Bank	2028.06.18	–	591,000	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)
Fubon Bank	2031.01.15	–	685,000	Note (8)
Bank of Taiwan	2030.12.29	605,571	–	Note (9)
Bank of Taiwan	2034.12.02	126,020	–	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)
Total		2,965,424	3,086,000	
Less: Long-term liabilities due within one year		(309,183)	(1,444,000)	
Long-term borrowings		\$ 2,656,241	\$ 1,642,000	
Interest rates		1.375%~2.175%	1.95%~2.055%	

- (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 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.
- (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 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.

- (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 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.
- (9) 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.
- (10) 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.

- (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 paying interests monthly, 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 paying interests monthly, repayment of \$200 principal each month, and repayment of the remaining principal when due.
- (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 in equal installments.
- (16) The Company provides part of its other financial assets and property, plant and equipment as guarantee for loans, please refer to Note (8) for details.

18. Pension

(1) Defined contribution plan

- A. The pension system of the "Labor Pension Act" applicable to the Company 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.
- 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 \$4,098 thousand and \$3,458 thousand, respectively.

(2) Defined benefit plan

- A. The pension system of Taiwan's "Labor Standards Act" applicable to the Company 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 Company has no right to instruct the investment management strategy.

- B. The amount of the Company's obligations arising from the defined benefit plan included in the parent company only balance sheet is as follows:

Item	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	(\$ 24,420)	(\$ 22,651)
Fair value of plan assets	7,939	7,417
Net defined benefit liability	(\$ 16,481)	(\$ 15,234)

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

Item	2024		
	Present value of defined benefit plan obligations	Fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2024	(\$ 22,651)	\$ 7,417	(15,234)
Service costs			
Current-period service costs	(112)	-	(112)
Interest expense (income)	(279)	99	(180)
Previous period service costs	-	-	-
Liquidation loss (gain)	-	-	-
Recognized in profit or loss	(391)	99	(292)
Remeasurement amount			
Return on project assets (except for the amount included in net interest)	-	505	505
Actuarial (gain) loss -			
Impact from changes in demographic assumptions	(417)	-	(417)
Impact from changes in financial assumptions	(2,243)	-	(2,243)
Experience adjustment	-	-	-
Recognized in other comprehensive income	(2,660)	505	(2,155)
Contributions by employer	-	1,200	1,200
Number of benefit payments on the account	-	-	-
Amount of benefit payments	1,282	(1,282)	-
Balance as of December 31, 2024	(\$ 24,420)	\$ 7,939	(\$ 16,481)

Item	2023		
	Present value of defined benefit plan obligations	Fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2023	(\$ 20,177)	\$ 2,930	(\$ 17,247)
Service costs			
Current-period service costs	(101)	-	(101)
Interest expense (income)	(342)	70	(272)
Previous period service costs	-	-	-
Liquidation loss (gain)	-	-	-
Recognized in profit or loss	(443)	70	(373)
Remeasurement amount			
Return on project assets (except for the amount included in net interest)	-	17	17
Actuarial (gain) loss -			
Impact from changes in demographic assumptions	-	-	-
Impact from changes in financial assumptions	(631)	-	(631)
Experience adjustment	(1,400)	-	(1,400)
Recognized in other comprehensive income (loss)	(2,031)	17	(2,014)
Contributions by employer	-	4,400	4,400
Number of benefit payments on the account	-	-	-
Amount of benefit payments	-	-	-
Balance as of December 31, 2023	(\$ 22,651)	\$ 7,417	(\$ 15,234)

D. The Company 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 Company'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 Company'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	10 years

- (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)	(\$ 337)

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.

19. Other noncurrent liabilities

Item	December 31, 2024	December 31, 2023
Long-term investment credit balance (Note)	\$ 1, 348, 062	\$ 1, 264, 145
Guarantee deposits received	57, 799	57, 799
Total	<u>\$ 1, 405, 861</u>	<u>\$ 1, 321, 944</u>

Note: Please refer to Note (6)10.

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	<u>135, 343</u>	<u>\$ 1, 353, 430</u>	<u>135, 343</u>	<u>\$ 1, 353, 430</u>

- (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	<u>\$ 701</u>	<u>\$ 701</u>

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 letter 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. Operating revenue

Item	2024	2023
Revenue from customer contracts		
Sales revenue	\$ 37, 228	\$ 64, 858
Logistics revenue	711, 977	594, 648
Total	<u>\$ 749, 205</u>	<u>\$ 659, 506</u>

(1) Breakdown of revenue by contract with customers

The Company'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
Logistics	\$ 711, 977	\$ 594, 648
Others	37, 228	64, 858
Total	<u>\$ 749, 205</u>	<u>\$ 659, 506</u>

(2) Contract balance

	December 31, 2024	December 31, 2023
Contract liabilities - sale of goods	<u>\$ –</u>	<u>\$ –</u>

A. Significant changes in contract assets and contract liabilities: None.

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 Company'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.

25. Employee benefits, depreciation, depletion and amortization expenses

Nature	2024		
	Operating costs	Operating expenses	Total
Employee benefits			
Payroll expenses	\$ 63,688	\$ 31,375	\$ 95,063
Labor and health insurance	6,379	2,281	8,660
Pension expense	3,011	1,379	4,390
Directors' remuneration	–	8,261	8,261
Other employee benefits	3,793	4,860	8,653
Depreciation expense	105,132	5,363	110,495
Amortization expense	3,937	33	3,970

Nature	2023		
	Operating costs	Operating expenses	Total
Employee benefits			
Payroll expenses	\$ 49,311	\$ 25,299	\$ 74,610
Labor and health insurance	5,341	2,007	7,348
Pension expense	2,465	1,366	3,831
Directors' remuneration	–	1,440	1,440
Other employee benefits	2,624	837	3,461
Depreciation expense	92,830	4,264	97,094
Amortization expense	2,297	56	2,353

- (1) Additional information on the number of employees and employee benefit expenses of the Company in 2024 and 2023 is as follows:

	2024	2023
Number of Employees	121	101
The number of directors who do not serve concurrently as employees	3	4
Average employee benefits expense	\$ 990	\$ 920
Average salary expense	\$ 806	\$ 769
Adjustment of average salary expense	4.81%	10.01%

- (2) 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.

- (3) The Company's Board of Directors resolved on March 2025 and March 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	\$ -	\$ -	\$ -	\$ -

- (4) 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.
- (5) The Company's salary and remuneration policies (including directors, managerial officers and employees)
- A. The Company's policy, standards and combination of remuneration paid to directors, procedures for determining remuneration, and its relationship with business performance and future risks:
- (A) According to the Articles of Association of the Company, the directors of the Company may enjoy the traveling expenses on a monthly basis regardless of the Company's profit or loss, and the Remuneration Committee is authorized to determine the amount. The remuneration of chairman and directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers.
- (B) The Company's Articles of Association also stipulate that if the Company has any profits in any year, no more than 3% shall be allocated by the board of directors as remuneration for directors.

- B. The Company's policy, standards and combination of remuneration paid to managerial officers, procedures for determining remuneration, and its relationship with business performance and future risks:

The amount of remuneration given to the managerial officers of the Company is based on their duties, contributions, the Company's annual operating performance, and the Company's future development, which shall be reviewed by the Remuneration Committee and submitted to the board of directors for resolution.

- C. The Company's policy, standards and combination of remuneration paid to employees, procedures for determining remuneration, and its relationship with business performance and future risks:

(A) The remuneration of the Company's employees is based on personal ability, position, contribution to the Company and performance, and the Company's future development and industry standards as the payment standards.

(B) 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.

26. Other income

Item	2024	2023
Dividend income	\$ 2, 898	\$ 1, 935
Rental income	11	11
Others	475	144
Total	<u>\$ 3, 384</u>	<u>\$ 2, 090</u>

27. Other gains and losses

Item	2024	2023
Net foreign exchange gains (losses)	\$ 97, 388	(\$ 1, 884)
Valuation loss on financial assets	(92)	-
Loss on disposal of investments	(41)	-
Gain on disposal of property, plant and equipment	55	300
Others	(3, 973)	(1, 059)
Total	<u>\$ 93, 337</u>	<u>(\$ 2, 643)</u>

28. Finance costs

Item	2024	2023
Interest expense:		
Bank loan	\$ 76,106	\$ 65,259
Imputed interest on deposits	428	–
Interest on lease liabilities	123	133
Others	343	230
Less: Capitalized amount for qualifying assets	(13,541)	(7,505)
Finance costs	<u>\$ 63,459</u>	<u>\$ 58,117</u>

29. Income tax

(1) Components of income tax expense:

Item	2024	2023
Income tax payable for the current year	\$ 45,527	\$ –
Deferred income tax related to temporary difference and loss credit	5,414	–
Income tax adjustments of previous year(s)	–	–
Surtax on unappropriated retained earnings	–	–
Basic income tax payable	–	–
Income tax recognized in profit for the current year	<u>\$ 50,941</u>	<u>\$ –</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	<u>\$ 296,459</u>	<u>\$ 174,711</u>
Computed tax on before-tax income at statutory tax rate	\$ 59,292	\$ 34,942
Tax impact from adjustments:		
Effects from items that are not included in computation of taxable income	(13,765)	(34,942)
Income tax adjustments of previous year	–	–
Net changes in deferred income tax		
Operating loss deduction	(5,018)	–
Temporary differences	10,432	–
Income tax expense (benefit) recognized in profit or loss	<u>\$ 50,941</u>	<u>\$ –</u>

The applicable tax rate of the Income Tax Act of the Republic of China is 20%, and the applicable tax rate of undistributed earnings is 5%.

- (3) Income tax assets or liabilities arising from temporary differences, loss deduction and investment deduction:

Item	2024			Ending balance
	Beginning balance	Recognized in (losses) gains	Recognized in other comprehensive (losses) gains	
Deferred income tax liabilities:				
Temporary differences				
Allowance for land value increment	(\$370, 231)	\$ -	\$ -	(\$370, 231)
Income tax	-	(10, 432)	-	(10, 432)
Total :	<u>(\$370, 231)</u>	<u>(\$10, 432)</u>	<u>\$ -</u>	<u>(\$380, 663)</u>

Item	2023			Ending balance
	Beginning balance	Recognized in (losses) gains	Recognized in other comprehensive (losses) gains	
Deferred income tax liabilities:				
Temporary differences				
Allowance for land value increment	<u>(\$ 370,231)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 370,231)</u>

- (4) Items not recognized as deferred income tax assets

Item	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ -	\$ -
Loss deduction	-	5, 708
Total	<u>\$ -</u>	<u>\$ 5, 708</u>

The final deduction period for deduction of unrecognized losses is from 2027 to 2028.

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

30. Other comprehensive income

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 recognized 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	(32, 222)	–	(32, 222)
Recognized in other comprehensive income	(\$ 59, 753)	\$ –	(\$ 59, 753)

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 recognized 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	20, 582	–	20, 582
Recognized in other comprehensive income	\$ 111, 848	\$ –	\$ 111, 848

31. Earnings per share

	2024	2023
Basic earnings per share :		
Net income	\$ 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	\$ 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 diluted weighted average number of shares outstanding (thousand of shares) on earnings per share	135, 423	135, 343
Diluted earnings per share (after tax) (NTD)	\$ 1. 81	\$ 1. 29

32. 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	\$ 420,000	\$ 371,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,000
Short-term notes and bills payable	-	100,000	-	-	-	-	(71)	99,929
Long-term borrowings	3,086,000	(120,576)	-	-	-	-	-	2,965,424
Lease liabilities	6,566	(5,224)	-	-	-	-	5,328	6,670
Guarantee deposits received	57,799	-	-	-	-	-	-	57,799
Total liabilities arising from financing activities	\$ 3,570,365	\$ 345,200	\$ -	\$ -	\$ -	\$ -	\$ 5,257	\$ 3,920,822

	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	\$ 185,000	\$ 235,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,000
Long-term borrowings	3,032,000	54,000	-	-	-	-	-	3,086,000
Lease liabilities	7,943	(4,314)	-	-	-	-	2,937	6,566
Guarantee deposits received	57,630	169	-	-	-	-	-	57,799
Total liabilities arising from financing activities	\$ 3,282,573	\$ 284,855	\$ -	\$ -	\$ -	\$ -	\$ 2,937	\$ 3,570,365

(7) Related Party Transactions

1. Name and nature of relationship of the related parties

Name of the related parties	Relationship with the Company
Mighty Business Ltd ("Mighty ")	Subsidiary
Kunshan Lily Textile Co., Ltd. ("Kunshan Lily ")	Sub-subsidiary
Lily Construction Co., Ltd.	Associates
Green Defense Co., Ltd.	Other related parties
Lily Freight Co., Ltd.	Other related parties
Su, Dong-Rong	Key management personnel

2. Significant transactions with the related parties

(1) Costs

Accounting item	Type/Name of related parties	2024	2023
Purchases	Other related parties	\$ 204	\$ -
Warehousing costs	Other related parties	\$ 1,702	\$ 1,625

The transaction conditions for purchasing goods with the above-mentioned related parties are the same as those for general non - related parties.

(2) Revenue

Accounting item	Type/Name of related parties	2024	2023
Logistics revenue	Other related parties	\$ 384	\$ 384

The transaction conditions 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 transactions: None.

(4) Various expenses: None.

(5) Various income

Type/Name of Related Party	2024	2023	Nature of Transaction
Associates	\$ 11	\$ 11	Rental income
Associates	300	–	Other income
Total	<u>\$ 311</u>	<u>\$ 11</u>	

(6) Ending balance of accounts receivable (payable)

Type/Name of Related Party	December 31, 2024	December 31, 2023
Accounts receivable		
Other related parties	<u>\$ 25</u>	<u>\$ 25</u>
Other receivables (including long-term receivables)	\$ 395, 384	\$ 370, 760
Mighty (Notes A, C)	<u>867, 900</u>	<u>813, 408</u>
Kunshan Lily (Notes B, C)	<u>1, 263, 284</u>	<u>1, 184, 168</u>
Total	<u>–</u>	<u>–</u>
Less : Loss allowance	<u>\$ 1, 263, 284</u>	<u>\$ 1, 184, 168</u>

A. It is the price that the Company sold machinery and equipment to Kunshan Lily Textile Co., Ltd. through Mighty Business Ltd. in 2002 and 2001.

The details of the price of the sale of machinery and equipment are as follows:

Summary	Price receivable	Sale date
Sell the equipment of Pingzhen Second Factory	USD 6,100 thousand	September 2001
Sell the equipment of Pingzhen Third Factory	USD 5,254 thousand	December 2001
Sale of ordered machinery and equipment	USD 165 thousand	August 2002

The above-mentioned payment method for the sale of machinery and equipment is to pay monthly in 24 installments after Kunshan Lily Textile Co., Ltd. has installed and commissioned the machinery and passed the inspection. As of December 31, 2024 and 2023, the recovered funds were USD1,110 thousand and USD1,100 thousand, respectively. The remaining

unrecovered funds are USD10,321 thousand, EUR88 thousand, USD10,321 thousand, and EUR88 thousand, equivalent to \$341,647 thousand and \$320,371 thousand, respectively. Due to the macro-control of the Mainland China and the Company is still having operating losses, the Company has postponed the recovery of the amount through the resolution of the board of directors, and has decided to collect interest until the end of 2020, and has suspended interest accumulation since 2021. As of December 31, 2024 and 2023, the interest receivables were equivalent to \$53,737 thousand and \$50,389 thousand, respectively, and the interest income for both 2024 and 2023 was \$ 0 thousand.

- B. On December 31, 2024 and 2023, the Company's accounts receivable from the related party Kunshan Lily Textile Co., Ltd. exceeded the normal credit period of \$849,116 thousand and \$795,803 thousand, respectively, which have been transferred to other receivables.

Its aging is as follows:

(A) December 31, 2024

	More than 90 days
Other receivables	\$ 849, 116
Long-term accounts receivable - machinery	18, 784
Total	<u>\$ 867, 900</u>

(B) December 31, 2023

	More than 90 days
Other receivables	\$ 795, 803
Long-term accounts receivable - machinery	17, 605
Total	<u>\$ 813, 408</u>

- C. For the accounts between the Company and related parties Kunshan Lily Textile Co., Ltd. and Mighty Business Ltd., the Company was established to meet market demand and the Company's operating objectives, however, the operating conditions of Kunshan Lily Textile Co., Ltd. and Mighty Business Ltd. were not as ideal as expected and they were unable to repay the outstanding accounts as scheduled, the Company has fully recognized the loss of the original equity of its shareholders within the scope of its legal obligations, constructive obligations and payments on its behalf. As of December 31, 2024 and 2023, the equity method is adopted for accounting the balance of investment loans, which were \$1,348,062 thousand and \$1,264,145 thousand, respectively.

Type/Name of Related Party	December 31, 2024	December 31, 2023
Notes payable and accounts		
Other related parties	\$ 183	\$ 169

Type/Name of Related Party	December 31, 2024	December 31, 2023
Other payables		
Associates	\$ 30	\$ –
Other related parties	168	146
Total	\$ 198	\$ 146

(7) Others

Type/Name of Related Party	December 31, 2024	December 31, 2023
Payment on behalf of others		
Kunshan Lily	\$ 1,747	\$ 1,747

(8) Financing

A. Ending balance

Type/Name of Related Party	Accounting item	December 31, 2024	December 31, 2023
Kunshan Lily	Other receivables	\$ 164,050	\$ 153,750
Kunshan Lily	Interest receivable	\$ 16,604	\$ 13,302

B. Interest income

Type/Name of Related Party	2024	2023
Kunshan Lily	\$ 3,302	\$ 3,089
Interest rates	2.10%	2.00%

(9) Endorsement and guarantee

The details of the endorsement provided by the Company for borrowing from the bank for related parties are as follows:

Type/Name of Related Party	December 31, 2024	December 31, 2023
Kunshan Lily	NTD 177,500 thousand	RMB 41,000 thousand

(10) Guarantee notes

In order to ensure the creditor's rights and land ownership, the Company received the guarantee notes from related parties as follows:

Type/Name of Related Party	December 31, 2024		December 31, 2023	
Kunshan Lily	RMB	190,000 thousand	RMB	196,000 thousand
	USD	5,000 thousand	USD	5,000 thousand
Key management personnel	\$	–	\$	19,506

3. Salary information for key management personnel

Type/Name of Related Party	2024	2023
Salary and other short-term employee benefits	\$ 9,781	\$ 8,257
Post-employment benefits	–	–
Total	\$ 9,781	\$ 8,257

(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	\$ 177,500	\$ 177,120
Property, plant and equipment (net amount)	3,008,834	3,587,174
Total	\$ 3,186,334	\$ 3,764,294

(9) Significant Contingent Liabilities and Unrecognized Contract Commitments

1. As of December 31, 2024 and 2023, the guarantee notes received by the Company for the purpose of endorsement of performance guarantees, guarantee of creditor's rights and land ownership, etc. reached total of \$1,158,862 thousand and \$1,205,968 thousand, respectively, and are recorded in the accounts of guarantee notes and guarantee notes receivable.
2. 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.
3. The Group's issue but not yet utilized letter of credit :

Item	December 31, 2024		December 31, 2023	
Letter of credit	EUR	- thousand	EUR	1,215 thousand

(10) Significant Disaster Losses: None.

(11) Significant Subsequent Events: None.

(12) Others

1. Capital risk management

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

2. Financial instruments

(1) Financial risk of financial instruments

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

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

A. Nature and extent of material financial risks

(A) Market risk

a. Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risk that arises from commercial transactions, borrowing transactions and net investments in foreign operations which are denominated or require to be settled in foreign currency such as USD and RMB. To protect against reductions in value and the volatility of future cash flows resulting from changes in foreign exchange rates, the Company hedges its foreign exchange risk exposure by using foreign currency borrowings and derivatives, including foreign exchange forward contracts and cross currency swaps. These derivatives may partially eliminate the effect of the change in foreign exchange rate on the

Company's assets. The Company's investments in foreign operations present a strategic investment and, thus, are not hedged.

(a) Exchange rate exposure risk and sensitivity analysis

	December 31, 2024		
	Foreign currency	Exchange rate	Carrying amount
			(NTD)
(Foreign Currency: Functional Currency)			
Financial assets			
Monetary items			
USD : NTD	\$ 39,215	32.81	\$ 1,286,644
EUR : NTD	674	34.18	23,037
Financial liabilities			
Monetary items			
USD : NTD	161	32.81	5,282

	December 31, 2023		
	Foreign currency	Exchange rate	Carrying amount
			(NTD)
(Foreign Currency: Functional Currency)			
Financial assets			
Monetary items			
USD : NTD	\$ 39,049	30.75	\$ 1,200,757
EUR : NTD	674	34.02	22,929
RMB : NTD	41,241	4.32	178,161
Financial liabilities			
Monetary items			
USD : NTD	406	30.75	12,485

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 Company'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 US dollar depreciates/appreciates 1%, the company's net profit after tax in 2024 and 2023 will increase/decrease by \$10,251 thousand and \$9,506 thousand, respectively.

b. Price risk

Since the investments held by the Company are classified as financial assets at fair value through other comprehensive income in the individual balance sheet, the Company is exposed to the price risk of equity instruments.

The Company mainly invests in domestic listed/OTC and non-listed/OTC equity instruments. The price of these equity instruments would change due to the change in the future value of underlying companies.

For 2024 and 2023, if the prices of these equity instruments had increased/decreased by 1%, net income would have increased (decreased) by \$49 thousand and \$0, 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

- (a) The Company'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
Fair value interest rate risk:		
Financial assets	\$ 177,500	\$ 177,120
Financial liabilities	(99,929)	–
Net amount	<u>\$ 77,571</u>	<u>\$ 177,120</u>
Cash flow interest rate risk:		
Financial assets	\$ 41,187	\$ 27,965
Financial liabilities	(3,756,424)	(3,506,000)
Net amount	<u>(\$ 3,715,237)</u>	<u>(\$ 3,478,035)</u>

- (b) Sensitivity analysis of fair value interest rate risk:

The Company does not classify any fixed-rate financial assets and liabilities as financial assets measured at fair value through profit or loss 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 and other comprehensive net income.

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

The Company'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 \$29,722 thousand and \$27,824 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 company. The company'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 Company. Since the Company'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 Company is not classified as an investment in debt instruments measured at fair value through other comprehensive profit or loss 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 85% and 72% of the Company's accounts receivable balance, respectively, and the credit concentration risk of the remaining accounts receivable was relatively insignificant.

(b) Measurement of expected credit impairment losses

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

Basis for judging whether the credit risk has increased significantly: None. (In addition, the Company is not classified as an investment in debt instruments measured at fair value through other comprehensive profit or loss at cost after amortization)

(c) The financial assets held by the Company 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 objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Company has sufficient financial flexibility for its operations.

b. Maturity analysis of financial liabilities

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

	December 31, 2024						
Non-derivative financial instruments	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	\$ 791,000	\$ –	\$ –	\$ –	\$ –	\$ 802,865	\$ 791,000
Short-term notes and bills payable	99,929	–	–	–	–	100,000	99,929
Notes payable (including related parties)	28,128	–	–	–	–	28,128	28,128
Accounts payable (including related parties)	1,428	–	–	–	–	1,428	1,428
Other payables (including related parties)	94,105	–	–	–	–	94,104	94,105
Long-term borrowings (including those due within one year)	200,844	108,339	218,184	1,111,006	1,327,051	3,190,246	2,965,424
Guarantee deposits received	–	–	–	–	57,799	57,799	57,799
Total	<u>\$ 1,215,434</u>	<u>\$ 108,339</u>	<u>\$ 218,184</u>	<u>\$ 1,111,006</u>	<u>\$ 1,384,850</u>	<u>\$ 4,274,570</u>	<u>\$ 4,037,813</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 instruments	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	\$ 385,000	\$ 35,000	\$ –	\$ –	\$ –	\$ 424,277	\$ 420,000
Notes payable (including related parties)	9,493	–	–	–	–	9,493	9,493
Accounts payable (including related parties)	289	–	–	–	–	289	289
Other payables (including related parties)	78,631	–	–	–	–	78,631	78,631
Long-term borrowings (including those due within one year)	846,000	598,000	132,400	553,200	956,400	3,246,026	3,086,000
Guarantee deposits received	–	–	–	–	57,799	57,799	57,799
Total	<u>\$ 1,319,413</u>	<u>\$ 633,000</u>	<u>\$ 132,400</u>	<u>\$ 553,200</u>	<u>\$ 1,014,199</u>	<u>\$ 3,816,515</u>	<u>\$ 3,652,212</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>\$ 6,566</u>

The Company 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 Company on December 31, 2024 and 2023 are as follows:

Financial assets	December 31, 2024	December 31, 2023
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 70,228	\$ 55,309
Notes receivable and accounts (including related parties)	80,035	65,754
Other accounts receivable - related parties	1,087,684	1,016,681
Other financial assets - current	177,500	177,120
Refundable deposits	15,762	12,612
Financial assets at FVTPL	4,910	–
Financial assets at FVTOCI	170,442	191,745
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	791,000	420,000
Notes and bills payable (including related parties)	99,929	–
Notes and accounts payable (including related parties)	29,556	9,782
Other payables (including related parties)	94,105	78,631
Long-term borrowings (including due in one year)	2,965,424	3,086,000
Guarantee deposits	57,799	57,799

3. Fair value information

(1) Please refer to Note (12)3(3) for the fair value information of the Company'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 Company'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 Company'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 Company'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	\$ 4,910	\$ –	\$ –	\$ 4,910
Financial assets at FVTOCI	21,641	–	148,801	170,442
Total	<u>\$ 26,551</u>	<u>\$ –</u>	<u>\$ 148,801</u>	<u>\$ 175,352</u>

Item	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Recurring fair value</u>				
Financial assets at FVTOCI	<u>\$ 22,807</u>	<u>\$ –</u>	<u>\$ 168,938</u>	<u>\$ 191,745</u>
Financial assets				

(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 company 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 company 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 Company 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 Company'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
January 1, 2024	\$ 168,938
Gains or losses recognized in profit or loss in the current period	–
Gain or loss recognized in other comprehensive profit or loss	(46,448)
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>

Item	Equity securities
January 1, 2023	\$ 140,513
Gains or losses recognized in profit or loss in the current period	–
Gain or loss recognized in other comprehensive profit or loss	17,488
Transferred in this period	–
Acquisition this period	10,937
Disposal this period	–
Transferred to Level 3	–
Transferred from Level 3	–
December 31, 2023	<u>\$ 168,938</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
	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

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

The Company'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: Table 1.
 - (2) Endorsements and Guarantees Provided to Others: Table 2.
 - (3) Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: see Table 5.
 - (9) Engaging in derivative commodity transactions: None.
2. Information on investees: Table 6.
3. Information on investments in Mainland China: Table 7.
4. Information on major shareholders (names, shareholdings, and ratios of shareholders with a shareholding ratio of 5% or more): Table 8.

(14) Segment Information

The Company has disclosed the operating segment information in the consolidated financial report.

Table 1

Lily Logistics Development Co., Ltd.

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	\$ 161,450	\$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 certified by an accountant or reviewed	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	-		

Table 2

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

Unit : Thousand NTD

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.
- (7) Joint and several guarantees for performance guarantees of real estate pre-sale contracts among peers in accordance with the Consumer Protection Act.

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.

Holding of Marketable Securities By the End of the Period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Holding company	Types and names of marketable securities	Relationship with the securities issuer	Accounting item	Unit: thousand shares and thousand NTD			
				End of period			
				Number of shares	Carrying amount	Ratio	Fair value measurement
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 measured at FVTOCI - current	224	8,086	—	8,086
	Evertex Fabrinology Ltd.	—	Financial assets measured 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.	—	"	4,732	71,680	—	71,680
	Faith Alliance Corporation	—	"	34	88	—	88

Table 4

Lily Logistics Development Co., Ltd.
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.
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	- (Bote B)
Mighty Business Ltd.	Kunshan Lily Textile Co., Ltd. (Note A)	Mutually parent company and subsidiary	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 credit balance of investment loans is \$1,348,062 thousand.

Table 6

Lily Logistics Development Co., Ltd.
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 7

Lily Logistics Development Co., Ltd.
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 8

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

Unit: thousand shares

Shares Name of Major Shareholders	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%

Lily Logistics Development Co., Ltd.
Schedule of Significant Accounting Items
December 31, 2024

(Amounts in the following schedules are in thousands of NTD, unless specified otherwise)

Item	No. / Index
Schedule of Assets, Liability and Equity Items	
Schedule of cash and cash equivalents	Schedule (1)
Schedule of financial assets measured at FVTPL - current	Schedule (2)
Schedule of financial assets measured at FVTOCI - current	Schedule (3)
Schedule of notes receivable	Schedule (4)
Schedule of accounts receivable	Schedule (5)
Schedule of inventories	Schedule (6)
Schedule of changes in financial assets measured at FVTOCI - noncurrent	Schedule (7)
Schedule of changes in investments accounted for using equity method	Schedule (8)
Schedule of changes in property, plant and equipment	Note (6)11
Schedule of changes in property, plant and equipment - accumulated depreciation	Note (6)11
Schedule of other noncurrent assets	Note (6)13
Schedule of short-term borrowings	Schedule (9)
Schedule of notes and bills payable	Schedule (10)
Schedule of notes payable	Schedule (11)
Schedule of accounts payable	Schedule (12)
Schedule of other payables	Schedule (13)
Schedule of provisions	Note (6)16
Schedule of long-term borrowings and long-term debts due within one year	Note (6)17
Schedule of deferred income tax liabilities	Note (6)29
Schedule of other noncurrent liabilities	Note (6)19
Schedule of profit or loss items	
Schedule of net operating revenue	Schedule (14)
Schedule of operating costs	Schedule (15)
Schedule of other operating costs	Schedule (16)
Schedule of warehousing costs	Schedule (17)
Schedule of operating expenses	Schedule (18)
Functional summary of employee benefits, depreciation, depletion and amortization expenses incurred in the current period	Note (6)25

(1) Schedule of Cash and Cash Equivalents

Item	Amount		Remarks
	Subtotal	Total	
Cash		\$ 403	
Petty cash	\$ 230		
Cash on hand	173		
Bank deposits		69, 825	
Checking deposits	26, 638		
Demand deposits	16, 280		
Foreign currency deposits	24, 907		
			Including USD782
Total		\$ 70, 228	

Note : The exchange rate is USD1 : NTD32.81

RMB1 : NTD 4.47

(2) Schedule of financial assets measured at FVTPL - current

Thousand shares/Thousand NTD

Name of Security	Number of Shares	Acquisition Cost	Market Price	
			Unit Price	Total Amount
Beneficiary certificates - funds				
Mega ESG Taiwan-U.S. Double Profits Fund	500	\$ 5,002	\$ 9.82	\$ 4,910
Less: Valuation adjustment		(92)		
Total		\$ 4,910		\$ 4,910

(3) Schedule of financial assets measured at FVTOCI - current

Thousand shares/Thousand NTD

Name of Security	Number of Shares	Acquisition Cost	Market Price	
			Unit Price	Total Amount
Stock				
China Wire & Cable	224	\$ 10,698	\$ 36.10	\$ 8,086
Less: Valuation adjustment		(2,612)		
Total		\$ 8,086		\$ 8,086

(4) Schedule of notes receivable

Customer Code	Amount	Remarks
A company	\$ 129	Items not reaching 5% of total account
B company	48	
Others	1	
Total notes receivable	178	
Loss : Loss allowance	-	
Notes receivable, net	\$ 178	

(5) Schedule of accounts receivable

Customer Code	Amount	Remarks
C company	\$ 26,429	Items not reaching 5% of total account
D company	24,610	
E company	9,824	
F company	5,408	
Others	13,890	
Total accounts receivable	80,161	
Loss : Loss allowance	(329)	
Accounts receivable, net	\$ 79,832	

(6) Schedule of inventories

Item	Cost		Market Price	Remarks
	Subtotal	Total		
Work in progress		\$ 103	\$ 103	Use cost as market price
Semi-finished goods		1, 710	–	Use net realizable value as market price
Finished goods		2, 793	–	Use net realizable value as market price
CM blended yarn	\$ 41			
Antibacterial yarn	1, 755			
Finished cloth	197			
Others	800			
Total		4, 606	103	
Less : Allowance for inventory price decline		(4, 503)		
Inventories, net		\$ 103	\$ 103	

(7) Schedule of changes in financial assets measured at FVTOCI - noncurrent

Name	Beginning of Period		Increase in this period		Decrease in this period		End of period		Guarantee or pledge	Remarks
	Number of Shares	Carrying amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Carrying amount		
Lilyent Corp.	3,782	\$ 77,298	–	\$ –	–	\$ 6,277	3,782	\$ 71,021	None	
Fair Friend Ent.Co.,Ltd.	78	2,795	–	750	–	–	78	3,545	None	
Excellence Electronic Co, Ltd.	1	20	–	–	–	–	1	20	None	
Leadwell Cnc Machines Mfg.,Corp.	50	1,765	–	660	–	–	50	2,425	None	
Crownpo Technology Inc.	1	22	–	–	–	–	1	22	None	
Maxspeed Corporation	174	–	–	–	–	–	174	–	None	
Hualon Corporation	–	–	–	–	–	–	–	–	None	
Typhone Company	118	–	–	–	–	–	118	–	None	
Sunny Bank Ltd.	4,732	86,928	2,719	23,879	–	39,127	7,451	71,680	None	Note
Faith Alliance Corporation	34	110	–	–	–	22	34	88	None	
Evertex Fabrinology Ltd.	611	11,785	–	1,770	–	–	611	13,555	None	
Lead Data Inc.	576	2,432	–	–	–	2,432	576	–	None	
Total		\$ 183,155		\$ 27,059		\$ 47,858		\$ 162,356		

Note : Participated in the cash capital increase of Sunny Bank Ltd. in this period, subscribed for 2,719 thousand shares, the investment cost was NT\$23,879 thousand.

(8) Schedule of changes in investments accounted for using equity method

Thousand shares/Thousand NTD

Investees	Beginning of period		Increase in this period		Decrease in this period		End of period		Shareholding %	Market value or equity net value		Guarantee or pledge	Remarks
	Number of shares	Carrying amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Carrying amount		Unit price	Net equity		
Sunny Logistics Co., Ltd.	7, 803	\$ 272, 558	-	\$ 22, 878	-	\$ -	7, 803	\$ 295, 436	44. 76%	\$ -	\$ -	None	A, B
Lily Construction Co., Ltd.	2, 695	174, 506	-	937	-	-	2, 695	175, 443	44. 91%	-	-	None	A
Giantex Textile Corporation	26, 818	14, 532	-	4, 214	-	-	26, 818	18, 746	46. 27%	-	-	None	A, B
Gisong Enterprise Corporation	11, 400	125, 060	-	6, 866	-	-	11, 400	131, 926	57. 00%	-	-	None	A
Lilytex International Corp.	12, 600	(1, 218, 435)	-	-	-	(80, 880)	12, 600	(1, 299, 315)	70. 59%	-	-	None	A, C
Mighty Business Ltd.	1	(45, 710)	-	-	-	(3, 037)	1	(48, 747)	100. 00%	-	-	None	A
Total		(677, 489)		34, 895		(83, 917)		(726, 511)					
Plus : Long-term equity investment loan balance transferred to other liabilities		1, 264, 145		-		83, 917		1, 348, 062					
Long-term equity investments using the equity method		\$ 586, 656		\$ 34, 895		\$ -		\$ 621, 551					

Note: A. Increase and decrease in the current period: This is the recognition of the share of profits and losses of subsidiaries and related enterprises recognized by the equity method in the current period.

B. Increase and decrease in the current period: This is the share of other comprehensive profits and losses of associates and joint ventures recognized using the equity method in the current period

- unrealized (loss) gains and cash dividends of financial assets measured at FVTOCI.

C. Decrease in the current period: It is the exchange difference recognized in the current period in the translation of the financial statements of overseas operating units.

D. Decrease in the current period: It is distribution of cash dividends.

(9) Schedule of short-term borrowings

Bank Name	Types of Loan	Ending Balance	Period	Interest Rates	Line of Credit	Pledge or Guarantee	Notes
		NTD					
Bank of Taiwan, Yenping Branch	Mortgage loan	\$ 60, 000	2024. 06. 18~2025. 06. 18	2. 08%	\$ 60, 000	The land and buildings of the Xining North Road Office in Taipei City ; Su, Tung-Rong is the joint guarantor	
Bank of Taiwan, Yenping Branch	Mortgage loan	630, 000	2024. 05. 29~2025. 05. 29	2. 02%	630, 00	Taoyuan Pingzhen factory land and buildings ; Su, Tung-Rong is the joint guarantor	
E.Sun Bank, Chengdong Branch	Mortgage loan	35, 000	2024. 06. 17~2025. 06. 17	0. 50%	35, 000	Su, Tung-Rong, Su, Ching-Yuan are the joint guarantors	
Sunny Bank, Yonghe Branch	Mortgage loan	66, 000	2024. 09. 03~2025. 04. 12	2. 18%	900, 000	Taoyuan Pingzhen factory land and buildings ; Su, Tung-Rong is the joint guarantor	
Total		\$ 791, 000					

(9) Schedule of notes and bills payable

Unit : Thousand NTD

Item	Underwriting Agency	Guarantee Agency	Period	Interest Rate	Amount			Pledge or Guarantee
					Issuance Amount	Unamortized Bills Discount	Carrying Amount	
Commercial papers payable	Mega Bills	Mega Bills	2024.12.19~2025.01.15	1.72%	\$ 100,000	\$ 71	\$ 99,929	Su, Tung-Rong, Su, Ching-Yuan are the joint guarantors

(11) Schedule of notes payable

Customer Name	Amount	Remarks
G company	\$ 6, 997	
H company	5, 816	
I company	29	
J company	88	
K company	1, 017	
L company	2, 000	
M company	1, 883	
Others	10, 115	Items not reaching 5% of total account
Total	\$ 27, 945	

(12) Schedule of accounts payable

Customer Code	Amount	Remarks
N company	\$ 708	Items not reaching 5% of total account
O company	207	
Others	513	
Total	\$ 1, 428	

(13) Schedule of other payables

Item	Amount	Remarks
Salary and bonus payable	\$ 23, 998	
Interest payable	1, 233	
Insurance premium payable	1, 564	
Pension payable	783	
Payable for equipment	47, 457	
Others	18, 872	
Total	\$ 93, 907	

(14) Schedule of net operating revenue

Item Name	Amount		Remarks
	Subtotal	Total	
Total sales revenue		\$ 37, 233	
Logistics revenue		682, 838	
Delivery revenue	\$ 14, 639		
Warehousing revenue	520, 446		
Processing revenue	36, 582		
Tallying revenue	111, 171		
Other operating income		29, 230	
Total operating revenue		749, 301	
Less : Sales returns and allowance		(5)	
Warehousing revenue and discounts		(91)	
Net operating revenue		\$ 749, 205	

(13) Schedule of operating costs

Item	Amount		Remarks
	Subtotal	Total	
Consumption of raw materials		\$ 141	
Beginning materials	\$ -		
Input of materials	204		
Less : Transferred to expenses	(63)		
Ending materials	-		
Manufacturing costs		141	
Beginning work in progress		1, 842	
Plus : Purchased in this period		66	
Less : Transferred to expenses		(163)	
Less : Ending finished goods		(1, 813)	
Cost of finished goods		73	
Plus : Beginning finished goods		2, 722	
Purchased in this period		36, 112	
Less : Transferred to expenses		(3)	
Less : Ending finished goods		(2, 793)	
Cost of sales for finished goods		36, 111	
Production and sales cost		36, 111	
Total		36, 111	
Loss from price-declined inventories		1, 076	
Cost of goods sold		37, 187	
Warehousing costs		356, 828	Schedule (17)
Other operating costs		692	Schedule (16)
Operating costs		\$ 394, 707	

(14) Schedule of other operating costs

Item	Amount	Remarks
Repair and maintenance expense	\$ 19	
Utilities expense	157	
Miscellaneous expenses	516	
Total	\$ 692	

(15) Schedule of warehousing costs

Item	Amount	Remarks
Salary expense	\$ 63,688	
Pension	3,011	
Rent expense	2,060	
Stationery and printing	678	
Freight	22,149	
Postage and telecommunication expense	514	
Repair and maintenance expense	11,247	
Utilities expense	41,584	
Insurance expense	17,978	
Entertainment expense	102	
Taxes	27,594	
Donation	30	
Depreciation	105,132	
Various amortizations	3,937	
Meal expense	2,503	
Employee benefits	956	
Transportation expense	119	
Miscellaneous purchases	1,232	
Outsourced processing	43,105	
Outsourced devanning	929	
Processing consumables	1,792	
Packaging expense	57	
Training expense	44	
Traveling expense	218	
Outsourced manpower	480	
Others	5,688	
Total	\$ 356,827	

(18) Schedule of operating expenses

Item	Sales and Marketing Expenses	Administration expenses	Total
Salary expense	\$ 6, 582	\$ 27, 303	\$ 33, 885
Pension	558	821	1, 379
Rent expense	–	231	231
Stationery	7	57	64
Traveling expense	–	211	211
Postage and telecommunication expense	19	185	204
Repair and maintenance expense	–	930	930
Utilities expense	–	214	214
Insurance expenses	524	1, 842	2, 366
Entertainment expense	–	1, 583	1, 583
Donation	–	50	50
Taxes	–	1, 928	1, 928
Depreciation	–	5, 363	5, 363
Various amortizations	–	33	33
Meal expense	60	588	648
Employee benefits	–	101	101
Commission expense	1, 350	–	1, 350
Training expense	–	81	81
Service charge	–	2, 238	2, 238
Miscellaneous purchase	–	6	6
Traveling expense for directors and supervisors	–	1, 520	1, 520
Other expenses	335	6, 004	6, 339
Total	\$ 9, 435	\$ 51, 289	\$ 60, 724