Stock code: 1468

Chang-ho Fibre Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Notice to Readers: *The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.*

These consolidated financial statements have not been audited or reviewed by independent auditors.

Statement

For the fiscal year ended December 31, 2024 (from January 1 to December 31, 2024), the affiliated enterprises required to be included in the preparation of the consolidated financial statements of affiliated enterprises, in accordance with the Criteria Governing Preparation of the Business Report, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises promulgated in Taiwan (Republic of China), are identical to those subsidiaries required to be included in the preparation of the consolidated financial statements of the parent and subsidiaries pursuant to International Financial Reporting Standard No. 10 as endorsed by the Financial Supervisory Commission (Taiwan, ROC).

Furthermore, the relevant disclosures required in the consolidated financial statements of affiliated enterprises have already been included in the aforementioned consolidated financial statements of the parent and subsidiaries. Therefore, a separate set of consolidated financial statements for affiliated enterprises is not prepared.

Sincerely,

Company Name: Chang-Ho Fibre Corporation
Chairman: Ming-Tse Chen
Date: March 14, 2025

Independent Auditor's Report

To the Board of Directors of Chang Ho Fibre Corporation

Opinion

We have audited the accompanying consolidated financial statements of Chang-Ho Fibre Corporation and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chang-Ho Fibre Corporation and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations, and Interpretative Announcements as endorsed by the Financial Supervisory Commission (Taiwan, Republic of China).

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Chang-Ho Fibre Corporation and its subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
The key audit matters identified in our audit are as follows:
1.Revenue Recognition
Please refer to Note 4(15) for accounting policies related to revenue recognition and Note 6(19) for revenue disclosures.
Description of Key Audit Matter:
The Group's primary sources of operating revenue are from the manufacturing and sale of various fibers, ultra-fine and super-micro fibers, and dyed and finished fabrics. Due to varying contractual terms with

customers, there is a significant risk associated with the timing of revenue recognition. Accordingly, revenue recognition was considered a key audit matter in our audit.

Audit Procedures Performed:

Our main audit procedures included testing relevant controls over the sales and collection cycles, reconciling sales system data to the general ledger, performing detailed substantive testing on supporting documents, and evaluating whether the timing and amounts of revenue recognition were in accordance with applicable standards.

2.Inventory Valuation

Please refer to Note 4(8) for accounting policies related to inventory valuation, Note 5(2) for uncertainty related to inventory valuation, and Note 6(6) for details on inventory.

Description of Key Audit Matter:

Inventories in the textile segment are measured at the lower of cost or net realizable value. Since the Group primarily engages in made-to-order production for customized products, excess procurement relative to customer orders may result in inventory obsolescence. Thus, evaluating the allowance for inventory valuation losses in the textile segment was considered a key audit matter.

Audit Procedures Performed:

We obtained an understanding of the Group’s policy for providing inventory valuation losses in the textile segment and assessed whether the policy was properly applied. We reviewed the inventory aging report, tested the accuracy of the categorization, evaluated the basis for determining net realizable value, and tested selected samples to assess the reasonableness of the inventory valuation allowance.

Other Matters

Chang-Ho Fibre Corporation has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, on which we have expressed an unmodified audit opinion. These statements are available for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IFRS Standards as endorsed by the Financial Supervisory Commission (Taiwan, ROC), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1.Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2.Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3.Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4.Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5.Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6.Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

March 14, 2025

Chang - Ho Fibre Corporation and subsidiaries						
Consolidated Balance Sheet						
For the Years Ended December 31, 2024 and 2023						
(In Thousands of New Taiwan Dollars)						
			2024/12/31		**2023/12/31**	
	Assets	**Notes**	**Amount**	**%**	**Amount**	**%**
	Current assets:					
1100	Cash and cash equivalents	6(1)	$ 380,169	13	166,480	6
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2)	19,791	1	287	-
1170	Net notes and accounts receivable	6(4).6(19)	67,001	2	77,973	3
1180	Accounts receivable from related parties	6(4).6(19).7	15,013	-	6,605	-
1200	Other receivables	6(5).6(15)	27,038	1	20,677	1
1310	Inventories	6(6).8	964,258	33	973,552	35
1476	Other financial assets	6(1).6(11).8	162,522	6	255,748	9
1470	Prepayments and other current assets		16,314	-	13,268	-
			1,652,106	56	1,514,590	54
	Non-current assets:					
1510	Financial Assets at Fair Value Through Profit or Loss - Non-Current	6(2)	48,179	2	50,000	2
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current	6(3)	23,816	1	23,869	1
1550	Investments accounted for using equity method	6(7)	13,905	-	13,871	-
1600	Property, plant and equipment	6(8).8	698,213	24	710,876	26
1755	Right of use assets	6(9).8	20,230	1	19,832	1
1760	Investment properties	6(10).8	249,595	8	251,525	9
1780	Intangible assets		7,659	-	8,129	-
1840	Deferred tax assets	6(16)	83,333	3	83,333	3
1975	Net Defined Benefit Assets – Non-current	6(15)	30,308	1	-	-

1990	Other non-current assets	6(6).9	109,976	4	98,040	4
			1,285,214	44	1,259,475	46
	Total assets		$ 2,937,320	100	2,774,065	100
	Liabilities and equity					
	Current liabilities:					
2100	Short-term borrowings	6(11)	$ 540,680	19	684,075	26
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current	6(2)	-	-	12,166	-
2130	Contract liabilities - current	6(19)	86,559	3	136,850	5
2170	Notes and accounts payable		118,163	4	81,775	3
2180	Notes and accounts payable to related parties	7	35,673	1	13,330	-
2200	Other payables		87,552	3	87,812	3
2220	Other payables to related parties	7	88,083	3	83,657	3
2280	Lease liabilities – current	6(13)	100	-	47	-
2322	Current Portion of Long-term Borrowings	6(12)	5,000	-	-	-
2399	Other current liabilities		8,321	-	7,395	-
			970,131	33	1,107,107	40
	Non-current liabilities:					
2540	Long-term borrowings	6(12)	413,861	14	318,861	11
2570	Deferred tax liabilities	6(16)	88,246	3	81,315	3
2580	Lease liabilities – non-current	6(13)	47	-	-	-
2645	Deposits Received		5,446	-	5,446	-
			507,600	17	405,622	14
	Total liabilities		1,477,731	50	1,512,729	54
	Equity:					
	Equity attributable to owners of parent	**6(17)**				
3110	Share Capital		1,604,053	54	1,604,053	58
3200	Capital surplus		26,753	1	26,753	1

	Retained earnings:					
3310	Legal Reserve		137,037	5	137,037	5
3350	Accumulated Deficit		(473,588)	(16)	(639,146)	(23)
			(336,551)	(11)	(502,109)	(18)
3400	Other Equity		83,233	3	71,170	3
			1,377,488	47	1,199,867	44
36XX	**Non-controlling interest**		82,101	3	61,469	2
	Total equity		1,459,589	50	1,261,336	46
	Total liabilities and equity		**$ 2,937,320**	**100**	**2,774,065**	**100**

Chang - Ho Fibre Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except for Earnings Per Share)

			2024		2023	
		Notes	**Amount**	**%**	**Amount**	**%**
4000	Operating revenue	6(14),6(19),7	$ 1,078,244	100	1,052,893	100
5000	Operating costs	6(6), 6(15),7,12	902,355	84	976,062	93
5900	**Gross profit (loss) from operations**		175,889	16	76,831	7
	Operating expenses	6(15),12				
6100	Selling expenses		21,116	2	23,211	2
6200	Administrative expenses		85,575	8	100,964	10
6300	Research and Development Expenses		3,949	-	3,568	-
6450	Expected Credit Impairment Loss (Reversal Gains)	6(4)	23,647	2	7,776	1
			134,287	12	135,519	13
6900	**Net operating loss**		41,602	4	(58,688)	(6)
	Non-operating income and expenses:					
7100	Interest income		10,148	1	9,507	1
7110	Rent income	6(14),7	31,843	3	24,946	2
7190	Other Income	6(19)	16,900	2	94,523	9
7060	Share of loss (profit) of associates and joint ventures accounted for using equity method	6(7)	34	-	279	-
7235	Net Gains (Losses) on Financial Assets (Liabilities) at Fair Value Through Profit or Loss	6(2)	91,076	8	24,321	2
7050	Finance costs	6(13)	(22,869)	(2)	(29,938)	(3)
7210	Net (loss) gain on disposal of property, plant and equipment		29,705	3	(252)	-
7590	Miscellaneous Expenses		(3,571)	-	(190)	-
7630	Foreign exchange net gain or (losses)	6(21)	9,528	-	5,716	1
			162,794	15	128,912	12
7900	**Profit before tax**		204,396	19	70,224	6
7950	**Less:** Income tax expense	6(16)	35,493	3	14,241	1
8200	**Net profit for the period**		168,903	16	55,983	5
8300	**Other comprehensive profit and loss:**					
8310	**Items that Will Not Be Reclassified to Profit or Loss**					
8311	**Remeasurements of Defined Benefit Plans**	6(15)	17,803	1	-	-
8316	Unrealized Gains (Losses) on Equity Instruments at Fair Value Through Other Comprehensive Income	6(3)	(53)	-	(16,654)	(1)
8349	Less: Income Tax Related to Items that Will Not Be Reclassified	6(16)	3,561	-	-	-
			14,189	1	(16,654)	(1)
8360	**Items that May Be Reclassified Subsequently to Profit or Loss**					
8361	Exchange Differences on Translation of Foreign Operations		18,190	1	(6,275)	(1)
8399	Less: Income Tax Related to Items that May Be Reclassified	6(16)	3,029	-	(1,045)	-
			15,161	1	(5,230)	(1)

8300	**Other comprehensive income, net**		29,350	2	(21,884)	(2)
8500	**Total comprehensive income**		$ 198,253	18	34,099	3
	Profit (loss) attributable to:					
8610	Owners of the Parent		$ 151,316	14	27,235	2
8620	Non-controlling Interests		17,587	2	28,748	3
			$ 168,903	16	55,983	5
	Total Comprehensive income attributable to:					
8710	Owners of the Parent		$ 177,621	16	6,401	1
8720	Non-controlling Interests		20,632	2	27,698	2
			$ 198,253	18	34,099	3
	Basic earnings per share	6(18)				
9750	**Basic earnings per share**		$ 0.94		0.17	
9850	**Diluted Earnings Per Share**		$ 0.94		0.17	

Chang - Ho Fibre Corporation and subsidiaries

Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained Earnings			**Other equity items**						
	Share Capital	**Capital surplus**	**Legal reserve**	**Accumulated deficit**	**Total**	**Exchange Differences on Translation of Foreign Operations**	**Unrealized Gains (Losses) on Financial Assets at FVOCI**	**Total**	**Total other equity items**	**Total Equity Attributable to Owners of the Parent**	**Non-controlling interests**	**Total equity**
Balance at 2023/1/1	$ 1,604,053	26,753	137,037	(666,381)	(529,344)	57,281	34,723	92,004	1,193,466	33,771	1,227,237	1,227,237
Profit	-	-	-	27,235	27,235	-	-	-	27,235	28,748	55,983	83,872
Other comprehensive income (Loss)	-	-	-	-	-	(4,180)	(16,654)	(20,834)	(20,834)	(1,050)	(21,884)	2,262
Total comprehensive income (Loss)	-	-	-	27,235	27,235	(4,180)	(16,654)	(20,834)	6,401	27,698	34,099	86,134
Balance as of the Years Ended December 31,2023	1,604,053	26,753	137,037	(639,146)	(502,109)	53,101	18,069	71,170	1,199,867	61,469	1,261,336	1,313,371
Balance as of January 1st, 2024	-	-	-	151,316	151,316	-	-	-	151,316	17,587	168,903	1,261,336
Profit	-	-	-	14,242	14,242	12,116	(53)	12,063	26,305	3,045	29,350	144,745
Other comprehensive income (Loss)	-	-	-	165,558	165,558	12,116	(53)	12,063	177,621	20,632	198,253	13,438
Total comprehensive income (Loss)	$ 1,604,053	26,753	137,037	(473,588)	(336,551)	65,217	18,016	83,233	1,377,488	82,101	1,459,589	158,183
Balance as of the Years Ended December 31,2024	$ 1,604,053	26,753	137,037	(511,526)	(374,489)	64,666	17,616	82,282	1,338,599		80,920	1,419,519

Chang - Ho Fibre Corporation and subsidiaries		
Consolidated Statements of Cash Flows		
For the reporting year		
(In Thousands of New Taiwan Dollars)		
	2024/12/31	**2023/12/31**
Cash Flow from Operating Activities:		
Profit before income tax	$ 204,396	70,224
Adjustments:		
Profit and Loss Items		
Depreciation expense	36,383	37,192
Amortization expense	882	866
Expected Credit Impairment Loss (Reversal Gains)	23,647	7,776
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(91,076)	(24,321)
Interest expense	22,869	29,938
Interest income	(10,148)	(9,507)
Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using the Equity Method	(34)	(279)
Loss (gain) on disposal of property, plant and equipment	(29,705)	252
Total Profit and Loss Items	(47,182)	41,917
Changes in operating assets and liabilities:		
(Decrease) increase in Financial Assets and Liabilities at Fair Value Through Profit or Loss	61,227	(13,186)
(Decrease) increase in notes receivable and accounts receivable (including related parties)	(22,053)	(20,178)
(Decrease) increase in other receivables (including related parties)	(18,287)	20,797
Decrease (increase) in inventories	17,497	80,598
(Decrease) increase in Prepayments and Other Assets	(19,437)	6,392
(Decrease) increase in Net Defined Benefit Assets	(583)	-
Decrease (increase) in notes and accounts payable (including related parties)	58,731	(107,707)
Decrease (increase) in other payables	(39,975)	(14,682)
Decrease (increase) in other current liabilities	926	184
Decrease (increase) in contract liabilities	(50,291)	(75,197)
Total changes in operating assets and liabilities	(12,245)	(122,979)
Cash inflow (outflow) generated from operations	144,969	(10,838)
Interest received	10,148	9,507
Interest paid	(31,107)	(30,088)
Income tax paid	(17,631)	(2,600)
Net cash inflow (outflow) from operating activities	106,379	(34,019)
Cash flows from investing activities:		

Disposal of investments accounted for using equity method	-	8,200
Acquisition of property, plant and equipment	(34,880)	(46,507)
Proceeds from disposal of property, plant and equipment	91,333	6,823
Decrease (increase) in other financial assets	94,733	(213,468)
Decrease (increase) in other non-current assets	(1,079)	(17,822)
Net cash inflow (outflow) from investing activities	150,107	(262,774)
Cash flows from financing activities:		
Increase (decrease) in Short-term Borrowings	(145,653)	43,395
Proceeds from Long-term Borrowings	100,000	318,861
Repayments of Long-term Borrowings	-	(80,400)
Increase in Refundable Deposits	-	869
Payments of Lease Liabilities	(100)	(3,090)
Net cash inflow (outflow) inflow from financing activities	(45,753)	279,635
Effect of exchange rate changes on cash and cash equivalents	2,956	(19)
Net increase (decrease) in cash and cash equivalents	213,689	(17,177)
Cash and cash equivalent balance at beginning of period	166,480	183,657
Cash and cash equivalents at end of period	$ 380,169	166,480

Chang-ho Fibre Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
For the reporting year
(All amounts are in New Taiwan Dollars thousands unless otherwise stated)

1. Company History

Chang-Ho Fiber Corporation (hereinafter referred to as "the Company") was established on April 10, 1982. The Company's primary business activities include the manufacturing and sale of various fibers, ultra-fine and super-micro fibers, and dyed and finished fabrics. The Company's stock has been listed on the Taiwan Stock Exchange since January 21, 1999.

This consolidated financial report comprises the Company and its subsidiaries (collectively referred to as "the Group"). For details on the primary business activities of each subsidiary, please refer to Note 4(3).

2. Date and Procedures for Financial Report Approval

This consolidated financial report was approved and issued by the Board of Directors on **March 14, 2025**.

3. Adoption of Newly Issued or Amended Standards and Interpretations

(1) Impact of Newly Issued and Amended Standards and Interpretations Recognized by the Financial Supervisory Commission (FSC)

Starting from 2024/1/1, the Group has adopted the following amendments to International Financial Reporting Standards (IFRS) as recognized by the FSC. These amendments did not have a significant impact on the consolidated financial statements:

Amendments to IAS 1: "Classification of Liabilities as Current or Non-current"

Amendments to IAS 1: "Non-current Liabilities with Covenants"

Amendments to IAS 7 and IFRS 7: "Supplier Financing Arrangements"

Amendments to IFRS 16: "Lease Liabilities in a Sale and Leaseback"

(2) Impact of Standards Issued but Not Yet Effective as Recognized by the FSC

The Group has evaluated the application of the following amendments, effective from January 1, 2025, and anticipates no significant impact on the consolidated financial statements:

Amendments to IAS 21: "Lack of Exchangeability"

(3) Standards and Interpretations Issued but Not Yet Recognized by the FSC

The following new and amended standards issued by the International Accounting Standards Board (IASB), but not yet recognized by the FSC, may be relevant to the Group:

New or Amended Standard: IFRS 18 "Presentation and Disclosure of Financial Statements"

Key Amendments: The new standards introduce three categories of income and expenses, two subtotals in the statement of profit or loss, and a single note on management performance measures (MPMs). These three enhancements and clarifications regarding the disaggregation of information in financial statements lay the foundation for more useful and consistent information for users, and they will affect all companies.

・ More Structured Statement of Profit or Loss:

Under current standards, companies use different formats to present their financial performance, making it difficult for investors to compare results across entities. The new standards adopt a more structured statement of profit or loss, introducing a newly defined subtotal—Operating Profit—and requiring all income and expenses from the entity’s main business activities to be classified into three newly defined categories.

・ Management Performance Measures (MPMs):

The new standards introduce a definition of MPMs and require companies to provide a single note in the financial statements explaining each performance measure, why it provides useful information, how it is calculated, and how it reconciles to amounts recognized in accordance with IFRS.

・ More Granular Disaggregation of Information:

The new standards include enhanced guidance on how entities disaggregate information in financial statements. This includes whether information should be presented in the primary financial statements or further broken down in the notes.

Effective Date by IASB: January 1, 2027

New or Amended Standard: Annual Improvements to IFRS Accounting Standards

Key Amendments: The amendments under the Annual Improvements to IFRS Accounting Standards are as follows:

1. IFRS 1 – First-time Adoption of International Financial Reporting Standards
   The amendment revises the application of hedge accounting for first-time adopters to address inconsistencies in terminology between paragraph B6 of IFRS 1 and IFRS 9 Financial Instruments regarding hedge accounting.
2. IFRS 7 – Financial Instruments: Disclosures
   The amendment addresses potential confusion arising from inconsistent terminology between IFRS 7 and IFRS 13 Fair Value Measurement.
3. IFRS 9 – Financial Instruments
   - Derecognition of Lease Liabilities by Lessees: The amendment clarifies that the derecognition of a lease liability should follow the derecognition requirements for financial liabilities under IFRS 9. That is, the difference between the carrying amount of the lease liability and the consideration paid should be recognized in profit or loss. In contrast, modifications to lease liabilities should be accounted for under the modification requirements in IFRS 16 Leases.
   - Transaction Price: The amendment requires that trade receivables initially recognized without a significant financing component be measured in accordance with IFRS 15 Revenue from Contracts with Customers, resolving a conflict between the initial measurement guidance in IFRS 9 and IFRS 15.
4. IFRS 10 – Consolidated Financial Statements
   The amendment clarifies the assessment criteria for determining whether a party is acting as a principal or an agent under IFRS 10.
5. IAS 7 – Statement of Cash Flows
   The amendment deletes the reference to the “cost method” in paragraph 37 of IAS 7 to avoid confusion in its application.

The Group is currently evaluating the potential impact of the above standards and interpretations on its financial position and performance. Relevant impacts will be disclosed once the evaluation is completed.

The Group expects that the following newly issued but not yet endorsed or effective standards and amendments will not have a material impact on the consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 17 – Insurance Contracts, and Amendments to IFRS 17
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 – Contracts for Renewable Electricity Generation (Power Purchase Agreements relying on Nature)

4. Summary of Significant Accounting Policies

Unless otherwise stated, the following significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

(1) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the "Regulations") and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations (hereinafter referred to as "IFRSs") as endorsed by the Financial Supervisory Commission (FSC) of the Republic of China.

(2) Basis of Preparation

1. Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the consolidated balance sheets:

(1) Financial assets measured at fair value through profit or loss (FVTPL);

(2) Financial assets measured at fair value through other comprehensive income (FVOCI).

2. Functional and Presentation Currency

Each entity in the Group determines its own functional currency based on the primary economic environment in which it operates. The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional currency. All financial information presented in NTD is expressed in thousands of NTD unless otherwise stated.

(3) Basis of Consolidation

1. Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, i.e., entities controlled by the Company. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Company obtains control until the date when such control ceases. All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the

non-controlling interests even if this results in a deficit balance for the non-controlling interests.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.
Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

2. Subsidiaries Included in the Consolidated Financial Statements

			Ownership Percentage as of	
Investment Company	Subsidiary Name	Nature of Business	**2024/12/31**	**2023/12/31**
Chang-Ho Fiber Corporation	Holy Finance Group Limited (HFGL)	Investment	83.26%	83.26%
Chang-Ho Fiber Corporation	Fu-Chang Construction Co., Ltd. (Fu-Chang)	Development and sale of residential and commercial buildings	100%	100%
HFGL	Chang-Ho Textile (Shaoxing) Co., Ltd. (Chang-Ho Shaoxing)	Manufacturing and sales of various fibers, micro, and ultra-microfiber yarns, and dyed fabrics	100%	100%

3. Subsidiaries Not Included in the Consolidated Financial Statements: None.

(4) Foreign Currencies

1. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date.
Non-monetary items that are measured at fair value in a foreign currency are translated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rates prevailing at the date of the transaction.
Exchange differences arising from such translations are generally recognized in profit or loss, except for exchange differences arising from equity instruments designated as measured at fair value through other comprehensive income (FVOCI), which are recognized in other comprehensive income.

2. Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. Income and expenses are translated using the average exchange rates for the period. The resulting exchange differences are recognized in other comprehensive income.
On the disposal of a foreign operation, including the loss of control, joint control, or significant influence,

the cumulative amount of exchange differences relating to that foreign operation is reclassified to profit or loss. For partial disposals of subsidiaries that include a foreign operation, the proportionate share of the cumulative exchange differences is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that include a foreign operation, the proportionate share of the cumulative exchange differences is reclassified to profit or loss.
Monetary items that are receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future, are considered part of a net investment in the foreign operation and the related exchange differences are recognized in other comprehensive income.

(5) Classification of Current and Non-current Assets and Liabilities
Assets are classified as current when they meet any of the following criteria:
(1) it is expected to be realized, sold, or consumed in the normal operating cycle;
(2) it is held primarily for the purpose of trading;
(3) it is expected to be realized within twelve months after the reporting period; or
(4) it is cash or a cash equivalent (as defined in IAS 7), unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
Liabilities are classified as current when they meet any of the following criteria:
(1) it is expected to be settled in the normal operating cycle;
(2) it is held primarily for the purpose of trading;
(3) it is due to be settled within twelve months after the reporting period; or
(4) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

(6) Cash and Cash Equivalents
Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(7) Financial Instruments
Trade receivables and issued debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets or liabilities that are not measured at fair value through profit or loss (other than trade receivables without a significant financing component) are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue. Trade receivables without a significant financing component are initially measured at transaction price.
1. Financial Assets
Purchases or sales of financial assets that require delivery within a time frame established by regulation or market convention are recognized on the trade date. Financial assets are classified into the following

categories upon initial recognition: financial assets measured at amortized cost, investments in equity instruments designated as measured at fair value through other comprehensive income (FVOCI), and financial assets measured at fair value through profit or loss (FVTPL).

The Group reclassifies all affected financial assets only when it changes its business model for managing those assets.

(1) Financial Assets Measured at Amortized Cost: A financial asset is measured at amortized cost if both of the following conditions are met and it is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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, these assets are measured at amortized cost using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(2) Financial Assets Measured at FVOCI: On initial recognition, the Group may make an irrevocable election to classify investments in equity instruments that are not held for trading as FVOCI. This election is made on an instrument-by-instrument basis.

Such investments are subsequently measured at fair value. Dividend income (unless clearly representing a recovery of part of the cost of the investment) is recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss. Dividends are recognized in profit or loss on the date the Group’s right to receive payment is established (usually the ex-dividend date).

(3) Financial Assets Measured at FVTPL: All financial assets not classified as amortized cost or FVOCI (e.g., those held for trading or managed on a fair value basis) are measured at FVTPL. Derivatives are also categorized under this classification. The Group may also irrevocably designate financial assets otherwise meeting the criteria for amortized cost or FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

These assets are measured at fair value, and net gains or losses, including any dividend or interest income, are recognized in profit or loss.

(4) Impairment of Financial Assets: The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, including cash and cash equivalents, trade and other receivables, and refundable deposits.

Loss allowances are measured on either a 12-month or lifetime ECL basis, depending on whether there has been a significant increase in credit risk since initial recognition:

- 12-month ECLs: recognized when credit risk has not increased significantly.
- Lifetime ECLs: recognized for all other cases.

For trade receivables, a loss allowance is always measured at an amount equal to lifetime ECLs.

The Group considers reasonable and supportable information, including historical experience and forward-looking data, when assessing whether credit risk has increased significantly. Assets with investment-grade ratings (e.g., S&P BBB, Moody’s Baa3, or equivalent) are considered low credit risk.

If contractual payments are more than 30 days past due, credit risk is presumed to have increased significantly. If more than 90 days past due, or if the borrower is unlikely to pay in full, the asset is considered credit-impaired.

Expected credit losses are the present value of all cash shortfalls, discounted at the asset's effective interest rate.

At each reporting date, the Group assesses whether financial assets measured at amortized cost or debt instruments at FVOCI are credit-impaired based on observable data, such as:

- Significant financial difficulty of the borrower;
- Breach of contract, e.g., default or past due more than 90 days;
- Concessions granted due to financial difficulties;
- Likelihood of bankruptcy or financial reorganization;
- Disappearance of an active market due to financial difficulties.

Loss allowances for amortized cost assets reduce the carrying amount. For debt instruments at FVOCI, the loss allowance is recognized in OCI and does not reduce the asset's carrying amount.

If recovery of a financial asset is no longer expected, the gross carrying amount is reduced directly. Write-offs are determined individually based on specific recovery expectations, and written-off amounts are not expected to be reversed, although enforcement efforts may continue.

(5) Derecognition of Financial Assets: Financial assets are derecognized when the contractual rights to the cash flows expire, or the Group transfers substantially all the risks and rewards of ownership. If neither is transferred nor retained and control is not retained, the asset is derecognized. If substantially all risks and rewards are retained, the asset continues to be recognized.

2. Financial Liabilities and Equity Instruments

(1) Classification: The Group classifies instruments as financial liabilities or equity based on the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

(2) Equity Transactions: An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of directly attributable transaction costs.

(3) Financial Liabilities: Financial liabilities are classified as measured at amortized cost unless they are held for trading, are derivatives, or are designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value, with net gains and losses, including interest expense, recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(4) Derecognition of Financial Liabilities: Financial liabilities are derecognized when the obligation is discharged, cancelled, or expires. If the terms of a financial liability are substantially modified, the original liability is derecognized and a new liability is recognized at fair value. The difference between the carrying amount of the derecognized liability and the consideration paid is recognized in profit or loss.

(5) Offsetting of Financial Assets and Liabilities: Financial assets and liabilities are offset and presented on a net basis only when the Group has a legally enforceable right to offset and intends to settle on a net basis or realize the asset and settle the liability simultaneously.

3. Derivative Financial Instruments

The Group holds derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Embedded derivatives are separated from the host contract if the host is not a financial asset and certain criteria are met.

Derivatives are initially recognized at fair value and subsequently remeasured at fair value. Resulting gains or losses are recognized directly in profit or loss.

(8) Inventories

Textile Segment: Inventories are stated at 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 costs of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average method.

Construction and Development Segment: Inventories are stated at the lower of cost and net realizable value. Cost includes all expenditures necessary to bring the inventories to their present location and condition, including capitalized borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale. The determination of net realizable value is as follows:

(1) Land under development and land for construction: based on management's estimates with reference to prevailing market conditions.

(2) Construction in progress: based on estimated selling price (with reference to prevailing market conditions) less costs to complete and selling expenses.

(3) Completed properties held for sale: based on estimated selling price less estimated costs to be incurred at the point of sale.

(9) Investments in Associates

An associate is an entity over which the Group has significant influence but neither control nor joint control.

Investments in associates are accounted for using the equity method. On initial recognition, the investment is recognized at cost, including transaction costs. The carrying amount includes goodwill identified at the time of acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate from the date significant influence commences until the date significant influence ceases. Adjustments are made to align the associate's accounting policies with those of the Group. Changes in the associate's equity other than profit or loss and other comprehensive income, not affecting the Group's ownership interest, are recognized in capital surplus.

Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate.

If the Group's share of an associate's losses equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Upon loss of significant influence, the Group discontinues the use of the equity method. The retained interest is measured at fair value, and the difference between the fair value of the retained interest plus

proceeds from disposal and the carrying amount of the investment is recognized in profit or loss. Amounts previously recognized in other comprehensive income related to that investment are reclassified to profit or loss (or retained earnings) on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.
If the Group reduces its ownership interest in an associate but continues to apply the equity method, the proportionate share of gains or losses previously recognized in other comprehensive income is reclassified to profit or loss (or retained earnings).

(10) Investment Property
Investment property is property held to earn rental income or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.
Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation, useful lives, and residual values are determined using the same principles as property, plant and equipment.
Gains or losses arising from the disposal of investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in profit or loss.
Rental income from investment property is recognized on a straight-line basis over the lease term as other income. Lease incentives granted are recognized as part of the rental income over the lease term.

(11) Property, Plant and Equipment

1. Recognition and Measurement: Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).
Gains or losses on disposal are recognized in profit or loss.

2. Reclassification to Investment Property: Property previously used by the Group that is reclassified to investment property is transferred at its carrying amount at the date of reclassification.
3. Subsequent Costs: Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.
4. Depreciation: Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation is based on cost less residual value. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

(1) Buildings and structures: 3 to 50 years
(2) Machinery and equipment: 2 to 10 years
(3) Other equipment: 2 to 20 years

The depreciation method, useful lives, and residual values are reviewed annually at the end of each reporting period and adjusted if appropriate.

(12) Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. Lessee Accounting: At the commencement date, the Group recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of the costs to dismantle and remove the underlying asset or to restore the site on which the asset is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment and adjusts it for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The discount rate is the interest rate implicit in the lease, if readily determinable; otherwise, the Group uses its incremental borrowing rate, which is generally applied.

Lease payments included in the measurement of the lease liability comprise:

(1) Fixed payments, including in-substance fixed payments;

(2) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

(3) Amounts expected to be payable under a residual value guarantee; and

(4) The exercise price under a purchase option, extension option, or termination option if the Group is reasonably certain to exercise that option or incur that penalty.

The lease liability is subsequently measured using the effective interest method and is remeasured when:

(1) There is a change in future lease payments arising from a change in an index or rate;

(2) There is a change in the expected amount payable under a residual value guarantee;

(3) There is a change in the assessment of whether a purchase, extension, or termination option will be exercised;

(4) The lease term is reassessed; or

(5) The lease is modified.

When the lease liability is remeasured due to the above reasons, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For lease modifications that decrease the scope of a lease, the Group reduces the carrying amount of the right-of-use asset accordingly and recognizes the difference between that reduction and the remeasurement of the lease liability in profit or loss.

The Group presents right-of-use assets and lease liabilities that are not investment properties as separate line items in the statement of financial position.

For short-term leases and leases of low-value assets (e.g., parking spaces), the Group elects not to recognize right-of-use assets and lease liabilities. Instead, lease payments are recognized as expenses on a straight-line basis over the lease term.

For lease concessions related to property leases that meet all of the following conditions, the Group applies the practical expedient and does not assess whether the rent concession is a lease modification:

(1) The rent concession is a direct consequence of the COVID-19 pandemic;

(2) The revised consideration is substantially the same as, or less than, the original consideration;

(3) Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and

(4) There is no substantive change to other terms and conditions of the lease.

Under the practical expedient, changes in lease payments from rent concessions are recognized in profit or loss at the date of the event or condition that triggers the concession.

2. Lessor Accounting: At the lease commencement date, the Group classifies each lease as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset; otherwise, it is classified as an operating lease. Indicators considered include whether the lease term is for the major part of the economic life of the asset.

For contracts that contain both lease and non-lease components, the Group allocates the consideration in the contract in accordance with IFRS 15 Revenue from Contracts with Customers.

(13) Intangible Assets

1. Recognition and Measurement: Research expenditures are recognized in profit or loss as incurred.

Development expenditures are capitalized only if they can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends and has sufficient resources to complete development and to use or sell the asset. All other development expenditures are recognized in profit or loss as incurred. Capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets with finite useful lives acquired by the Group are measured at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent Expenditures: Subsequent expenditures are capitalized only when they increase the future economic benefits of the specific asset. All other expenditures are recognized in profit or loss as incurred.
3. Amortization: Amortization is calculated on the cost of the asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful life of the intangible asset from the date it is available for use.

The Group reviews the residual value, useful life, and amortization method of intangible assets at each reporting date and adjusts them if necessary.

(14) Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that the carrying amount of a non-financial asset (excluding inventories and deferred tax assets) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

For impairment testing, assets are grouped at the lowest levels that generate largely independent cash inflows (cash-generating units).

The recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use. An impairment loss is recognized if the carrying amount exceeds the recoverable amount.

Impairment losses are recognized immediately in profit or loss.
Impairment losses recognized in prior periods for non-financial assets are reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount. Such a reversal is limited to the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized in prior periods.

(15) Revenue from Contracts with Customers
Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or service to a customer. The following is a description of the principal revenue-generating activities of the Group:

1. Sale of Goods: Revenue is recognized when control of the products has been transferred to the customer. Control is deemed transferred when the products have been delivered, the customer has full discretion over the products’ use and price, there are no unfulfilled obligations that could affect the customer's acceptance of the products, and either the acceptance provisions have lapsed or objective evidence exists that all acceptance criteria have been satisfied.

Accounts receivable are recognized when goods are delivered as this is the point in time when the Group has an unconditional right to receive consideration.

2. Lease Income: Lease income is recognized under operating leases on a straight-line basis over the lease term, considering lease conditions, collectibility of lease payments, and costs to be incurred by the lessor.
3. Service Income: Service income is recognized when the services are rendered. The Group’s main service income is derived from other management services.
4. Financing Component: As the Group expects the period between the transfer of goods or services and the receipt of payment from customers to be one year or less, no adjustment is made for the effects of a significant financing component.

(16) Employee Benefits

1. Defined Contribution Plans: Obligations for contributions to defined contribution pension plans are recognized as expenses in the periods during which services are rendered by employees.
2. Defined Benefit Plans: The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit employees have earned in return for their service in the current and prior periods and discounting that amount to present value, less the fair value of any plan assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions. In calculating the present value of economic benefits, any minimum funding requirements are considered.
Re-measurements of the net defined benefit liability (asset), which include actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (excluding interest), are recognized immediately in other comprehensive income and accumulated in retained earnings or other

equity. Net interest and other expenses related to defined benefit plans are recognized in profit or loss. When a plan is amended or curtailed, the resulting change in benefit relating to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term Employee Benefits: Short-term employee benefit obligations are recognized as expenses as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.
4. Termination Benefits: Termination benefits are recognized as expenses at the earlier of when the Group can no longer withdraw the offer of those benefits or when it recognizes costs for a restructuring. If termination benefits are not expected to be settled wholly within twelve months of the reporting date, they are discounted.

(17) Income Taxes

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income. The Group considers interest and penalties related to income taxes (including uncertain tax treatments) as falling outside the definition of income taxes and accounts for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group considers top-up taxes under the Pillar Two global minimum tax framework as within the scope of IAS 12 Income Taxes and applies the temporary mandatory exception for deferred tax accounting. Actual top-up taxes are recognized as current income tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and includes adjustments to tax payable or receivable in respect of previous years. Uncertainties in income taxes are reflected in the best estimate of the amount expected to be paid or recovered.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax is not recognized for:

(1) Temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(2) Temporary differences related to investments in associates and joint ventures to the extent that the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future; and

(3) Taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets arising from unused tax losses, tax credits, and deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized. These assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; they are increased again when it becomes probable that sufficient taxable profit will be available.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences reverse, using tax rates enacted or substantively enacted by the reporting date. Uncertainties in deferred taxes are also reflected in measurement.

Deferred tax assets and liabilities are offset only if:

(1) The Group has a legally enforceable right to offset current tax assets against current tax liabilities; and

(2) The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on:

The same taxable entity; or

Different taxable entities that intend to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for ordinary shareholders of the Company. Basic EPS is calculated by dividing profit attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and the weighted-average number of shares outstanding for the effects of all dilutive potential ordinary shares. The Group’s only dilutive potential ordinary shares are employee compensation not yet resolved by the board but to be settled in shares.

(19) Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including those relating to transactions with other components of the Group. The operating results of all operating segments are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. Discrete financial information is available for each operating segment.

5. Significant Accounting Judgments, Estimates and Assumptions

In preparing the consolidated financial statements, management is required to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, including future considerations such as climate-related risks and opportunities. Actual results may differ from these estimates.

Management continually reviews its estimates and underlying assumptions to ensure alignment with the Group’s risk management and climate-related commitments. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There were no significant judgments involving the application of accounting policies that had a material impact on the amounts recognized in the consolidated financial statements.

The key assumptions and sources of estimation uncertainty that may result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows:

(1) Loss Allowance for Trade Receivables

The loss allowance for trade receivables is estimated based on assumptions about default risk and expected loss rates. At each reporting date, the Group considers historical experience, current market conditions, and forward-looking estimates to determine the assumptions and inputs used in the impairment calculation. For further details on the assumptions and inputs, please refer to Note 6(4).

(2) Inventory Valuation

Inventories are measured at the lower of cost and net realizable value. The Group assesses inventory at the reporting date to determine whether it is impaired due to factors such as normal wear and tear, obsolescence, or lack of marketability, and reduces the carrying amount to its net realizable value if necessary. This assessment is based primarily on estimated product demand over a specific future period and may be significantly affected by rapid changes in the industry. For details on inventory valuation, please refer to Note 6(6).

6.Contents of Significant Accounts

(1) Cash and Cash Equivalents

	2024/12/31	**2023/12/31**
Cash on hand and revolving funds	$ 234	224
Checks and demand deposits	159,826	75,525
Time deposits	220,109	90,731
Total	**$ 380,169**	**166,480**

(2) Financial Assets and Liabilities at Fair Value Through Profit or Loss (FVTPL)

	2024/12/31	**2023/12/31**
Financial Assets at Fair Value Through Profit or Loss – Mandatorily Measured		
Current:		
Foreign exchange forward contracts	**$ 19,791**	**287**
Non-current:		
Interests in co-development investments	**$ 48,179**	**50,000**
	2024/12/31	**2023/12/31**
Financial liabilities held for trading - current:		
Non-hedging derivative instruments		
- Exchange contracts	**$ -**	**12,166**

1. The Group enters into derivative financial instrument transactions to hedge foreign exchange risks arising from operating activities. As hedge accounting is not applied, such derivatives are classified as financial assets mandatorily measured at fair value through profit or loss and financial liabilities held for trading. The details of the derivative instruments are as follows:

2024/12/31			
Derivative Financial Assets	Notional Amount (in thousands)	Currency Pair	Maturity Period

Foreign exchange forward contracts – Currency swaps	USD 25,900	USD/TWD	February 24, 2025 – November 19, 2025
2023/12/31			
Derivative Financial Assets	Notional Amount (in thousands)	Currency Pair	Maturity Period
Foreign exchange forward contracts – Currency swaps	USD 28,700	USD/TWD	April 22, 2024 – November 29, 2024
Foreign exchange forward contracts – Currency swaps	USD 600	USD/CNY	March 29, 2024

(3) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) – Non-current

	2024/12/31	**2023/12/31**
Equity instruments measured at fair value through other comprehensive income:		
Domestic unlisted company stocks - NOA GROUP CORP	**$ 23,816**	**23,869**

(4) Notes and Accounts Receivable (Including Related Parties)

	2024/12/31	**2023/12/31**
Notes receivable	$ 145	7,684
Accounts receivable	118,614	90,670
	118,759	98,354
Less: Allowance for losses	(36,745)	(13,776)
	$ 82,014	**84,578**
Net notes and accounts receivable	$ 67,001	77,973
Net accounts receivable - related parties	15,013	6,605
	$ 82,014	**84,578**

The Group applies the simplified approach to estimate expected credit losses for all notes and trade receivables, i.e., measuring the loss allowance at an amount equal to lifetime expected credit losses. The approach incorporates historical credit loss experience as well as forward-looking information, including reasonable and supportable forecasts of future economic conditions. In addition, for customers with indications of impairment, the recoverability of trade receivables is assessed individually.

The analysis of expected credit losses for notes and trade receivables is as follows:

Category	Carrying Amount	Weighted Average Expected Credit Loss Rate	Allowance for Lifetime Expected Credit Losses
2024/12/31			
Not past due	$ 55,977	4.73%	2,650
Past due within 30 days	21,331	6.85%	1,462
Past due 31–60 days	5,282	25.31%	1,337
Past due 61–90 days	2,503	42.31%	1,059
Past due 91–120 days	10,646	67.79%	7,217
Over 121 days past due	23,020	100.00%	23,020
Total	**$ 118,759**		**36,745**
2023/12/31			
Not past due	$ 59,779	2.31%	1,382
Past due within 30 days	16,696	4.58%	764
Past due 31–60 days	8,544	18.93%	1,617
Past due 61–90 days	3,052	35.55%	1,085
Past due 91–120 days	2,881	56.09%	1,616
Over 121 days past due	7,402	98.35%	7,312
Total	**$ 98,354**		**13,776**

Reconciliation of Allowance for Doubtful Accounts for Notes and Accounts Receivable:

Item	**2024/12/31**	**2023/12/31**
Beginning Balance	$ 13,776	6,274
Impairment Losses Recognized	23,647	7,768
Amount Written Off During the Year as Uncollectible	(1,648)	-
Effect of exchange rate changes	970	(266)
Ending Balance	**$ 36,745**	**13,776**

As of **2024/12/31**, **2023/12/31**, no notes receivable or accounts receivable were pledged as collateral.

(5) Other receivables

	2024/12/31	**2023/12/31**
Refundable business tax	$ 19,001	3,386
Receivables from pension plan settlement	-	11,922
Others	8,113	5,441
Less: Allowance for impairment loss	(76)	(72)
	$ 27,038	**20,677**

The movements in the Group’s allowance for impairment loss of other receivables are as follows:

	2024/12/31	**2023/12/31**
Beginning Balance	$ 72	67
Impairment losses recognized	-	8

Effect of exchange rate changes	4	(3)
Ending Balance	$ 76	72

(6) Inventory

	2024/12/31	2023/12/31
Finished goods	$ 85,155	117,252
Work in progress	26,164	21,170
Raw materials	145,267	205,186
Supplies	4,881	7,890
Land for Construction	35,142	587,178
In construction of Land—Baoqing Section B Site	552,035	-
In construction of houses—Baoqing Section B Site	115,614	34,876
Total	$ 964,258	973,552

The Group recognized inventory valuation and obsolescence losses as a result of write-downs to net realizable value. When the circumstances that previously caused inventories to be written down no longer exist—such as sales or disposal of obsolete inventories—the amount of the write-down is reversed. These losses and reversals are recognized under cost of goods sold. The details are as follows:

	2024/12/31	2023/12/31
Reversal of inventory write-downs	$ (177,228)	(51,452)

(7) Investments accounted for using the equity method

	2024/12/31	2023/12/31
Associates	$ 13,905	13,871

The Group's joint ventures accounted for using the equity method are individually not material. The aggregate financial information of these joint ventures, as included in the Group's consolidated financial statements, is as follows:

	2024/12/31	2023/12/31
Aggregate carrying amount of the Group's interests in individually immaterial associates at the end of the reporting period	$ 13,905	13,871
The Group's share of:		
Net profit for the period	$ 34	279
Other comprehensive income	-	-
Total comprehensive income	$ 34	279

(8) Property, Plant, and Equipment

	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment Pending Inspection	Total
Cost or deemed cost:						
Balance at 2024/1/1	$ 333,577	466,157	219,684	263,103	928	1,283,449
Additions	-	-	26,570	4,014	4,296	34,880
Disposals	-	(1,019)	(72,499)	(18,853)	-	(92,371)
Transfers in (out)	-	6,126	11,371	17,119	(4,586)	30,030
Effect of exchange rate changes	-	18,008	8,953	4,892	-	31,853
Balance at 2024/12/31	**$ 333,577**	**489,272**	**194,079**	**270,275**	**638**	**1,287,841**
Balance at 2023/1/1	$ 321,902	471,881	254,316	242,107	339	1,290,545
Additions	-	6,354	7,845	8,327	23,981	46,507
Disposals	-	(324)	(62,010)	(5,164)	-	(67,498)
Transfers in (out)	11,675	(5,807)	22,518	19,545	(23,392)	24,539
Effect of exchange rate changes	-	(5,947)	(2,985)	(1,712)	-	(10,644)
Balance at 2023/12/31	**$ 333,577**	**466,157**	**219,684**	**263,103**	**928**	**1,283,449**
Accumulated depreciation and impairment losses:						
Balance at 2024/1/1	$ -	227,185	129,982	215,406	-	572,573
Depreciation	-	11,475	10,253	10,957	-	32,685
Disposals	-	(917)	(22,910)	(6,916)	-	(30,743)
Transfers in (out)	-	(151)	-	-	-	(151)

Effect of exchange rate changes	-	6,965	5,668	2,631	-	15,264
Balance at 2024/12/31	**$ -**	**244,557**	**122,993**	**222,078**	**-**	**589,628**
Balance at 2023/1/1	$ -	225,352	179,293	208,265	-	612,910
Depreciation	-	10,789	9,749	10,911	-	31,449
Disposals	-	(324)	(57,218)	(2,881)	-	(60,423)
Transfers in (out)	-	(6,338)	-	-	-	(6,338)
Effect of exchange rate changes	-	(2,294)	(1,842)	(889)	-	(5,025)
Balance at 2023/12/31	**$ -**	**227,185**	**129,982**	**215,406**	**-**	**572,573**
Carrying amount:						
Balance at 2024/12/31	**$ 333,577**	**244,715**	**71,086**	**48,197**	**638**	**698,213**
Balance at 2023/1/1	**$ 321,902**	**246,529**	**75,023**	**33,842**	**339**	**677,635**
Balance at 2023/12/31	**$ 333,577**	**238,972**	**89,702**	**47,697**	**928**	**710,876**

(9) Right-of-Use Assets

	Land	Buildings and Structures	Transportation Equipment	Total
Cost of right-to-use assets:				
Balance at 2024/1/1	$ 33,555	31,153	2,711	67,419
Add	-	200	-	200
Effect of exchange rate changes	1,746	-	-	1,746
Balance at 2024/12/31	**$ 35,301**	**31,353**	**2,711**	**69,365**
Balance at 2023/1/1	$ 34,129	31,153	2,711	67,993
Effect of exchange rate changes	(574)	-	-	(574)
Balance at 2023/12/31	**$ 33,555**	**31,153**	**2,711**	**67,419**
Depreciation and impairment loss on right-of-use assets:				

Balance at 2024/1/1	$ 13,769	31,107	2,711	47,587
Depreciation	723	100	-	823
Effect of exchange rate changes	725	-	-	725
Balance at 2024/12/31	**$ 15,217**	**31,207**	**2,711**	**49,135**
Balance at 2023/1/1	$ 13,300	28,118	2,711	44,129
Depreciation	709	2,989	-	3,698
Effect of exchange rate changes	(240)	-	-	(240)
Balance at 2023/12/31	**$ 13,769**	**31,107**	**2,711**	**47,587**
Carrying amount:				
Balance at 2024/12/31	**$ 20,084**	**146**	**-**	**20,230**
Balance at 2023/1/1	**$ 20,829**	**3,035**	**-**	**23,864**
Balance at 2023/12/31	**$ 19,786**	**46**	**-**	**19,832**

(10) Investment Property

	Land and Land Improvements	**Buildings and Structures**	**Total**
Cost:			
Balance at 2024/1/1	$ 214,436	140,193	354,629
Net transferred from property, plant, and equipment	-	1,096	1,096
Balance at 2024/12/31	**$ 214,436**	**141,289**	**355,725**
Balance at 2023/1/1	$ 226,111	125,914	352,025
Net transferred from property, plant, and equipment	(11,675)	14,279	2,604
Balance at 2023/12/31	**$ 214,436**	**140,193**	**354,629**
Depreciation and impairment losses:			
Balance at 2024/1/1	$ -	103,104	103,104
Depreciation	-	2,875	2,875
Net transfers from property, plant, and equipment	-	151	151
Balance at 2024/12/31	**$ -**	**106,130**	**106,130**
Balance at 2023/1/1	$ -	94,721	94,721
Depreciation	-	2,045	2,045
Net transfers from property, plant, and	-	6,338	6,338

equipment			
Balance at 2023/12/31	$ -	103,104	103,104
Carrying amount:			
Balance at 2024/12/31	$ 214,436	35,159	249,595
Balance at 2023/1/1	$ 226,111	31,193	257,304
Balance at 2023/12/31	$ 214,436	37,089	251,525

(11) Short-term borrowings

	2024/12/31	2023/12/31
Secured bank borrowings	$ 540,680	684,075
Unused credit facility	$ 390,304	1,999,202
Interest rate range	2.91%	1.68%~4.7%

(12) Long-Term Borrowings

	2024/12/31	2023/12/31
Unsecured bank borrowings	$ 418,861	318,861
Less: Current portion of long-term borrowings	(5,000)	-
Total	$ 413,861	318,861
Unused credit facility	$ 90,000	90,000
Interest rate range	2.93%~3.41%	3.28%
Maturity date	114.7.22~116.10.7	116.10.7

(13) Lease Liabilities

	2024/12/31	2023/12/31
Current	$ 100	47
Non-current	$ 47	-

The amounts recognized in profit or loss are as follows:

	2024/12/31	2023/12/31
Interest expense on lease liabilities	$ 3	14
Expense relating to short-term leases	$ 2,917	4,418

The amounts recognized in the consolidated statement of cash flows are as follows:

	2024/12/31	2023/12/31
Total cash outflows for leases	$ 3,020	7,522

(14) Operating Leases

The Group leases out its investment properties and certain plant buildings. Since substantially all the risks and rewards incidental to ownership of the underlying assets are not transferred, such lease agreements are classified as operating leases. Please refer to Property, Plant and Equipment and Investment Property

for further details.
The maturity analysis of lease payments is presented below, showing the undiscounted lease payments receivable after the reporting date:

	2024/12/31	2023/12/31
Within 1 year	$ 32,396	31,762
1 to 2 years	24,528	29,482
2 to 3 years	11,928	27,897
3 to 4 years	11,928	11,928
4 to 5 years	11,928	11,928
Over 5 years	10,310	20,870
Total undiscounted lease payments	**$ 103,018**	**133,867**

(15) Employee Benefits

1. Defined Benefit Plans

Since December 10, 2019, the Group's employees have no longer accrued service years under the Labor Standards Act. The Group applied to the Taoyuan City Government Labor Bureau for the return of the balance in its pension fund account held with Bank of Taiwan, in the amount of NT$11,922 thousand. As of December 31, 2023, the amount had not yet been received and was recorded under other receivables.
In 2024, the Group employed foreign workers who are subject to the Labor Standards Act. In accordance with the law, the Group is required to contribute monthly to a labor pension reserve fund. As a result, the pension fund account with Bank of Taiwan was reactivated, and based on actuarial results, the Group recognized a net defined benefit asset.
The reconciliation of the present value of defined benefit obligations and the fair value of plan assets is as follows:

	2024/12/31
Present value of defined benefit obligations	$ 76
Fair value of plan assets	(30,384)
Net defined benefit asset	**$ (30,308)**

The Group's defined benefit pension plan contributions are deposited into a dedicated labor pension reserve account with Bank of Taiwan. For employees subject to the Labor Standards Act, retirement benefits are calculated based on a point system tied to years of service and the average monthly salary during the six months prior to retirement.

(1) Composition of Plan Assets

The pension contributions made by the Group in accordance with the Labor Standards Act are managed collectively by the Bureau of Labor Funds (the "BLF") under the Ministry of Labor. In accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the annual return on fund utilization must not be lower than the interest rate on a two-year time deposit offered by local banks.
As of the reporting date, the balance of the Group's labor pension reserve account with Bank of Taiwan

amounted as below. Information regarding the utilization of pension fund assets, including the rate of return and asset allocation, can be found on the website of the Labor Retirement Fund Supervisory Committee of the Executive Yuan’s Council of Labor Affairs.

(2) Movements in the Present Value of Defined Benefit Obligations

The changes in the present value of the Group’s defined benefit obligations for the year ended are as follows:

	2024/12/31
Defined benefit obligations at Beginning	$ -
Current service cost and interest cost	76
Defined benefit obligations at End	**$ 76**

(3) Changes in the Fair Value of Plan Assets

The changes in the fair value of the Group’s defined benefit plan assets for the year ended are as follows:

	2024/12/31
Fair value of plan assets at Beginning	$ 11,922
Contributions made to the plan	4
Expected return on plan assets	655
Remeasurements of net defined benefit asset (liability)	17,803
Fair value of plan assets at End	**$ 30,384**

(4) Changes in the Effect of the Asset Ceiling

There were no changes in the effect of the asset ceiling on the Group’s defined benefit plans for the year ended.

(5) Expenses Recognized in Profit or Loss

The expenses recognized in profit or loss by the Group for the year ended are as follows:

	2024/12/31
Current service cost	$ 76
Net interest on net defined benefit liability (asset)	(655)
	$ (579)
Cost of goods sold	$ -
Operating expenses	(579)

(6) Actuarial Assumptions

The principal actuarial assumptions used in determining the present value of defined benefit obligations at the reporting date are as follows:

	2024/12/31
Discount rate	2.375%
Future salary increases	3.000%

(7) Sensitivity Analysis

The following table shows the impact on the present value of defined benefit obligations as end of report period, from changes in the key actuarial assumptions:

	Effect on Defined Benefit Obligations	
	+0.25%	−0.25%
2024/12/31		
Discount rate	$ (4)	4
Future salary increase	4	(4)

The above sensitivity analysis is based on reasonably possible changes in individual assumptions while holding all other assumptions constant. In practice, changes in assumptions may be interrelated. The sensitivity analysis is consistent with the method used to calculate the net pension liability recognized in the balance sheet.

2. Defined Contribution Plans

The pension expenses recognized by the Group under its defined contribution pension plan are as follows:

	2024/12/31	2023/12/31
Cost of goods sold and operating expenses	$ 6,284	5,631

(16) Income Tax

1.Income Tax Expense

(1) The details of the Group's income tax expenses (benefits) for the years ended are as follows:

	2024/12/31	2023/12/31
Current income tax expense	$ 35,152	14,241
Deferred income tax expense		
Arising from and reversal of temporary differences	341	-
Total income tax expense	$ 35,493	14,241

(2) The details of the income tax expenses (benefits) recognized in other comprehensive income for the years ended are as follows:

	2024/12/31	2023/12/31
Items not to be reclassified to profit or loss:		
Remeasurements of defined benefit plans	$ 3,561	-
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of foreign operations	$ 3,029	(1,045)

(3) The reconciliation between income tax expense and profit before tax for the years ended is as follows:

	2024/12/31	2023/12/31
Profit before tax	$ 204,396	70,224
Income tax calculated based on the statutory tax rates of each consolidated entity	$ 53,335	36,602
Share of net profit or loss of domestic investees accounted for using the equity method	12,115	15,297
Changes in unrecognized tax losses	(14,351)	(6,712)
Changes in unrecognized deductible temporary differences and others	(15,606)	(30,946)
	$ 35,493	14,241

2. Deferred Income Tax Assets and Liabilities

(1) Unrecognized Deferred Income Tax Liabilities: None.

(2) Unrecognized Deferred Income Tax Assets:

The unrecognized deferred income tax asset items of the Group are as follows:

	2024/12/31	2023/12/31
Deductible temporary differences	$ 53,389	85,277
Tax losses carried forward	20,067	34,418
	$ 73,456	119,695

Based on its assessment of the likelihood of generating future taxable income, the Group determined that it is not probable that certain deductible items will be realized and, therefore, did not recognize them as deferred income tax assets. In addition, tax losses are determined in accordance with the income tax laws of the respective jurisdictions of the consolidated entities. Such losses may be deducted from future taxable profits, subject to assessment by the tax authorities. These items were not recognized as deferred income tax assets because it is not probable that the Group will have sufficient future taxable income to utilize the tax losses.

The expiration periods for the tax losses not yet recognized as deferred income tax assets by the Group are as follows:

2024/12/31		
Year Incurred	Unused Tax Losses (NT$ thousand)	Expiry Year
2015	5,951	2025
2021	417	2031

2022	2,880	2032
2023	51,428	2033
2024	39,659	2034

(3) Recognized Deferred Income Tax Assets and Liabilities

The movements in deferred income tax assets and liabilities for the years ended are as follows:

	Investment loss recognized under the equity method	Allowance for inventory valuation losses and others	Loss carryforwards	Total
Deferred Income Tax Assets:				
Balance at 2024/1/1	$ 48,155	35,178	-	83,333
Debit/(Credit) to profit or loss	-	(17,539)	17,539	-
Balance at 2024/12/31	**$ 48,155**	**17,639**	**17,539**	**83,333**
Balance at 2023/1/1	$ 48,155	35,178	-	83,333
Debit/(Credit) to profit or loss	-	-	-	-
Balance at 2023/12/31	**$ 48,155**	**35,178**	**-**	**83,333**
Deferred Income Tax Liabilities:				
Balance at 2024/1/1	$ 65,656	13,276	2,383	81,315
Debit/(Credit) to profit or loss	-	-	341	341
Debit/(Credit) to other comprehensive income	-	3,029	3,561	6,590
Balance at 2024/12/31	**$ 65,656**	**16,305**	**6,285**	**88,246**
Balance at 2023/1/1	$ 65,656	14,321	2,383	82,360
Debit/(Credit) to other comprehensive income	-	(1,045)	-	(1,045)
Balance at	**$ 65,656**	**13,276**	**2,383**	**81,315**

2023/12/31				

(17) Capital and Other Equity

1. **Capital Stock**

   As of 2024/12/31, the Company's authorized capital was NT$1,900,000 thousand, consisting of 190,000 thousand shares with a par value of NT$10 each. A total of 160,405 thousand shares were issued, and all proceeds from the issued shares had been collected in full Capital.

2. **Capital Surplus**

   The components of the Company's capital surplus as of 2024/12/31 were as follows:

	2024/12/31	**2023/12/31**
Share premium	$ 26,753	26,753

In accordance with the Company Act, capital surplus may be used to offset accumulated deficits. After offsetting losses, the realized capital surplus may be capitalized or distributed as cash dividends to shareholders in proportion to their shareholdings. Realized capital surplus includes the premium from issuance of shares in excess of par value and income from donated assets.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus capitalized in any given year shall not exceed 10% of the Company's paid-in capital.

3. Retained Earnings

(1). Legal Reserve

When the Company has no deficit, it may, by a resolution of the shareholders' meeting, distribute the legal reserve by issuing new shares or cash. The distribution is limited to the portion of the legal reserve that exceeds 25% of the paid-in capital.

(2). Earnings Distribution and Dividend Policy

In accordance with the Company's Articles of Incorporation, if there is any surplus after the annual final accounts, the Company shall first pay all applicable taxes and offset accumulated deficits. Thereafter, 10% of the remaining surplus shall be appropriated as legal reserve, and any further appropriations or reversals of special reserves shall be made in accordance with applicable laws and regulations. Any remaining earnings, together with undistributed retained earnings from prior years, shall be proposed by the Board of Directors in a distribution plan and submitted to the shareholders' meeting for approval regarding the distribution of dividends and bonuses.

The Company's dividend policy is aligned with its current and future development plans, taking into account the investment environment, capital requirements, and domestic and international competitiveness, while also considering shareholders' interests. At least 10% of distributable earnings shall be allocated as dividends and bonuses to shareholders each year. However, if the accumulated distributable earnings are less than 1% of the paid-in capital, the distribution may be omitted. Dividends and bonuses may be distributed in the form of cash or shares, provided that cash dividends shall not be less than 10% of the total dividends distributed.

The distribution of dividends, bonuses, capital surplus, or legal reserve, whether in full or in part, in the form of cash shall be approved by a resolution of the Board of Directors attended by at least two-thirds of the directors and with the consent of more than half of the directors present, and shall be reported to the shareholders' meeting.

On June 19, 2024, and June 15, 2023, the shareholders’ meetings approved the proposals for deficit offsetting for the years 2023 and 2022, respectively. Information regarding the resolutions on deficit offsetting approved by the shareholders’ meetings can be accessed through the Market Observation Post System and other public information platforms.

4. Other Equity (Net of Tax)

	Exchange differences on translation of the financial statements of foreign operations	**Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income**
Balance at 2024/1/1	$ 53,101	18,069
Exchange differences arising from the translation of net assets of foreign operations	12,116	-
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(53)
Balance at 2024/12/31	**$ 65,217**	**18,016**
Balance at 2023/1/1	$ 57,281	34,723
Exchange differences arising from the translation of net assets of foreign operations	(4,180)	-
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(16,654)
Balance at 2023/12/31	**$ 53,101**	**18,069**

(18) Earnings per Share

	2024/12/31	**2023/12/31**
Basic Earnings Per Share		
Net income attributable to ordinary shareholders of the Company	**$ 151,316**	**27,235**
Weighted-average number of ordinary shares outstanding (in	**160,405**	**160,405**

thousands)		
Basic earnings per share (NT$)	**$ 0.94**	**0.17**
Diluted earnings per share	**$ 0.94**	**0.17**

(19) Revenue from Customer Contracts

1. Disaggregation of Revenue

Main Products/Service Lines	**Garment Fabrics**	**AIR-TEXTURED YARN**	**Others**	**Total**
2024/12/31				
Sales revenue of goods	$ 762,738	229,661	56,214	1,048,613
Other	-	-	29,631	29,631
Total	**$ 762,738**	**229,661**	**85,845**	**1,078,244**
2023/12/31				
Sales revenue of goods	**$ 787,114**	**221,305**	**44,474**	**1,052,893**

2. Contract Balances

	2024/12/31	**2023/12/31**	**2023/1/1**
Notes and accounts receivable (including related parties)	$ 118,759	98,354	78,176
Less: Allowance for losses	(36,745)	(13,776)	(6,274)
	$ 82,014	**84,578**	**71,902**
Contract liabilities (advance receipts)	**$ 86,559**	**136,850**	**212,047**

(20) Employee and Director Compensation

In accordance with the Company’s Articles of Incorporation, if there is profit before tax and before the deduction of employee and director remuneration, the Company shall allocate 1% to 5% of such profit as employee remuneration, which may be distributed in the form of shares or cash upon a resolution of the Board of Directors. The recipients may include employees of the Company’s qualifying subsidiaries. Additionally, the Board may resolve to allocate no more than 1% of the same profit amount as director remuneration. However, if the Company has accumulated deficits, the amount required to offset the deficits must be reserved first before making any such allocations.

As of 2024/12/31, the Company had accumulated deficits; therefore, no employee or director remuneration was accrued.

For information regarding the resolutions of the Board of Directors on employee and director remuneration for the years 2024 and 2023, please refer to the Market Observation Post System (MOPS).

(21) Financial Instruments

1.Credit Risk

(1) Maximum Exposure to Credit Risk

The carrying amounts of financial assets represent the maximum exposure to credit risk.

(2) Concentration of Credit Risk

As the Group has a broad customer base, there is no significant concentration of credit risk from transactions with any single customer. To mitigate credit risk, the Group regularly evaluates the financial condition of its customers; however, collateral is generally not required.

(3) Credit Risk of Receivables

For information on the credit risk exposure related to notes and accounts receivable, please refer to Note 6(4). Other financial assets measured at amortized cost include other receivables and time deposits; for other receivables, please refer to Note 6(5).

These financial assets are considered to have low credit risk. Therefore, the allowance for impairment during the period was measured based on the 12-month expected credit losses. (For the Group’s criteria in determining low credit risk, please refer to Note 4(7)). The Group’s time deposits are held with financial institutions that are rated investment grade or above and are therefore considered to have low credit risk.

2. Liquidity Risk

The table below shows the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1 to 2 Years	Beyond 2 Years
2024/12/31					
Non-derivative financial liabilities:					
Short-term borrowings	$ 540,680	(584,218)	(15,734)	(15,734)	(552,750)
Notes and accounts payable (including related parties)	153,836	(153,836)	(153,836)	-	-
Other payables (including related parties)	175,635	(175,635)	(175,635)	-	-
Lease liabilities (including current and non-current)	147	(153)	(106)	(47)	-

Long-term borrowings (including current portion)	418,861	(454,812)	(18,803)	(23,657)	(412,352)
Deposits received	5,446	(5,446)	-	-	(5,446)
Total	$ 1,294,605	(1,374,100)	(364,114)	(39,438)	(970,548)
2023/12/31					
Non-derivative financial liabilities:					
Short-term borrowings	$ 684,075	(785,455)	(203,183)	(15,031)	(567,241)
Notes and accounts payable (including related parties)	95,105	(95,105)	(95,105)	-	-
Other payables (including related parties)	171,469	(171,469)	(171,469)	-	-
Lease liabilities (including current and non-current)	47	(47)	(47)	-	-
Long-term borrowings (including current portion)	318,861	(358,261)	(10,459)	(10,459)	(337,343)
Deposits received	5,446	(5,446)	-	-	(5,446)
Total	$ 1,275,003	(1,415,783)	(480,263)	(25,490)	(910,030)

The Consolidated Company does not anticipate significant early occurrence or material differences in the timing of cash flows from the maturity date analysis.

3. Foreign Exchange Risk

(1) Exposure to Exchange Rate Risk

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	2024/12/31	2023/12/31

	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial Assets						
Monetary items						
USD/TWD	$ 4,352	32.785	142,680	2,336	30.705	71,727
USD/CNY	5,440	7.1884	178,350	2,153	7.0827	66,108
Financial Liabilities						
Monetary items						
USD/TWD	641	32.78	21,015	431	30.705	13,234
USD/CNY	151	7.1884	4,948	271	7.0827	8,321

4. Interest Rate Risk Analysis

The details of the Group's exposure to interest rate risk arising from its financial assets and financial liabilities are as follows:

	2024/12/31	**2023/12/31**
Variable-rate Instruments:		
Financial assets	$ 299,637	313,413
Financial liabilities	959,541	859,541

5. Other Price Risk

If the prices of equity securities had changed as of the reporting date (assuming the same basis of analysis for both periods and that all other variables remained constant), the impact on other comprehensive income would have been as follows:

	2024/12/31	**2023/12/31**
Market Price at the Reporting Date		
Increase of 5%	**$ 1,191**	**1,193**
Decrease of 5%	**$ (1,191)**	**(1,193)**

6. Fair Value

(1) Categories of Financial Instruments and Fair Value

The Group's financial assets and liabilities measured at fair value through profit or loss and those measured at fair value through other comprehensive income are measured on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities (including the fair value hierarchy information, except for financial instruments not measured at fair value for which the carrying amount is a reasonable approximation of fair value, and lease liabilities for which disclosure of fair value is not required) are presented as follows:

2024/12/31					
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:					
Financial Assets Measured at Amortized Cost	$ 19,791	-	19,791	-	19,791
Financial assets measured at fair value through profit or loss—non-current:					
Jointly controlled investments equity	48,179	-	-	48,179	48,179
Financial Assets Measured at Fair Value Through Other Comprehensive Income					
Domestic unlisted stocks	23,816	-	-	23,816	23,816
Financial Assets Measured at Amortized Cost					
Cash and cash equivalents	380,169	-	-	-	-
Notes and accounts receivable, net	67,001	-	-	-	-
Accounts receivable from related parties, net (including related parties)	15,013	-	-	-	-
Other receivables (including related parties)	8,037	-	-	-	-
Other financial	162,522	-	-	-	-

assets					
Deposits paid (classified as other non-current assets)	2,844	-	-	-	-
	635,586				
	$ 727,372				
Financial Liabilities Measured at Amortized Cost:					
Short-term borrowings	$ 540,680	-	-	-	-
Notes and accounts payable (including related parties)	153,836	-	-	-	-
Other payables (including related parties)	175,635	-	-	-	-
Lease liabilities (including current and non-current)	147	-	-	-	-
Long-term borrowings (including current portion)	418,861	-	-	-	-
Guarantee deposits received	5,446	-	-	-	-
	$ 1,294,605				
2023/12/31					
Financial assets measured at fair value through profit or loss					
Financial Assets Measured at Amortized Cost	$ 287	-	287	-	287
Financial assets measured at fair value through profit or loss—non-current					
Jointly controlled investments equity	50,000	-	-	47,201	47,201

Financial Assets Measured at Fair Value Through Other Comprehensive Income					
Domestic unlisted stocks	23,869	-	-	23,869	23,869
Financial Assets Measured at Amortized Cost					
Cash and cash equivalents	166,480	-	-	-	-
Notes and accounts receivable, net	77,973	-	-	-	-
Accounts receivable from related parties, net (including related parties)	6,605	-	-	-	-
Other receivables (including related parties)	17,291	-	-	-	-
Other financial assets	255,748	-	-	-	-
Deposits paid (classified as other non-current assets)	4,351	-	-	-	-
	528,448				
	$ 602,604				
Financial Liabilities Measured at Fair Value Through Profit or Loss					
Derivative financial liabilities	$ 12,166	-	12,166	-	12,166
Financial Assets Measured at Amortized Cost					
Short-term borrowings	684,075	-	-	-	-
Notes and	95,105	-	-	-	-

accounts payable (including related parties)					
Other payables (including related parties)	171,469	-	-	-	-
Lease liabilities (including current and non-current)	47	-	-	-	-
Long-term borrowings (including current portion)	318,861	-	-	-	-
Guarantee deposits received	5,446	-	-	-	-
	$ 1,287,169				

(2) Valuation Techniques for Financial Instruments Not Measured at Fair Value

The Group's methods and assumptions used in estimating the fair values of financial instruments not measured at fair value are as follows:

A. The carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values in the consolidated financial statements.

(3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative financial instruments

If financial instruments have quoted prices in an active market, those prices are used as fair value.
An active market is one where quoted prices are readily and regularly available from exchanges, brokers, dealers, industry groups, pricing services, or regulatory agencies and those prices represent actual and regularly occurring market transactions on an arm's length basis. If these criteria are not met, the market is considered inactive. Indicators of an inactive market include significant bid-ask spreads, widened spreads, or low trading volumes.
Fair value of financial instruments may be determined using valuation techniques or quotes from counterparties. These techniques may include reference to the current fair value of similar instruments, discounted cash flow analysis, or other valuation models that use observable market data as of the reporting date.
For equity instruments without an active market, the Group estimates fair value using the comparable company approach, which evaluates per-share earnings and the price-to-earnings ratios of comparable listed companies. The estimated fair value has been adjusted for lack of marketability.

B. Derivative financial instruments

The fair value of derivatives is determined based on valuation models widely accepted by market participants, such as discounted cash flow models and option pricing models.

C. Joint Construction Investment Interests

Fair value is estimated using the discounted cash flow model, which primarily incorporates assumptions regarding the investee's projected future cash flows, adjusted for fluctuations in property sale prices and construction costs, discounted for time value of money and liquidity discounts.

(4) During 2024 and 2023, the Group did not have any transfers between levels of the fair value hierarchy for its financial assets or financial liabilities.

(5) Movements in Level 3 Fair Value Measurements:

	Equity Interests in Joint Ventures Measured at Fair Value Through Profit or Loss	Measured at Fair Value Through Other Comprehensive Income - Unquoted Equity Instruments
Opening balance as of 2024/1/1	$ 50,000	23,869
Total gains or losses		
Recognized in profit or loss	(1,821)	-
Recognized in other comprehensive income	-	(53)
Closing balance as of 2024/12/31	**$ 48,179**	**23,816**
Opening balance as of 2023/1/1	$ -	40,523
Purchases	50,000	-
Total gains or losses		
Recognized in other comprehensive income	-	(16,654)
Balance at 2023/12/31	**$ 50,000**	**23,869**

The above total gains or losses are reported in "Unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income." The details of the assets and liabilities still held as of 2024/12/31 and 2023, are as follows:

	2024/12/31	**2023/12/31**
Total gains or losses		
Recognized in profit or loss (presented under "Net gains (losses) on financial assets at fair value through profit or loss")	**$ (1,821)**	**-**
Recognized in other comprehensive income (presented under "Unrealized gains (losses) on financial assets at fair value through other comprehensive income")	**$ (53)**	**(16,654)**

(6) Quantitative Information on Significant Unobservable Inputs (Level 3)

The Group’s fair value measurements classified as Level 3 mainly comprise non-derivative financial assets measured at fair value through profit or loss — joint construction investment interests, and financial assets measured at fair value through other comprehensive income — equity investments.

Most of the Group’s Level 3 fair value measurements are based on a single significant unobservable input. Only equity investments in unlisted instruments involve multiple significant unobservable inputs. These unobservable inputs are independent of one another, and thus no interrelationships exist among them.

A summary of the quantitative information about the significant unobservable inputs is as follows:

Item	**Valuation Technique**	**Significant Unobservable Inputs**	**Relationship Between Significant Unobservable Inputs and Fair Value**
Joint construction investment interests	Discounted cash flow method	• Fluctuation in building sale prices (NT$1,100 thousand per ping as of December 31, 2024 and 2023) • Fluctuation in construction costs (NT$205 thousand per ping as of December 31, 2024 and 2023) • Discount for lack of marketability (20% as of December 31, 2024 and 2023)	• The higher the building sale price or the lower the construction cost, the higher the fair value
Financial assets at fair value through other comprehensive income – Equity investments without an active market	Comparable company method	Price-to-earnings (P/E) multiple (14.69 and 12.35 as of December 31, 2024 and 2023, respectively)	The higher the multiple, the higher the fair value
		Discount for lack of marketability (20% as of December 31, 2024 and 2023)	The higher the discount for lack of marketability, the lower the fair value

(7) Sensitivity Analysis of Fair Value Measurements Classified as Level 3 to Reasonably Possible Alternative Assumptions

The Group considers the fair value measurements of financial instruments to be reasonable; however, the use of different valuation models or inputs may result in different valuation outcomes. For financial instruments classified as Level 3, changes in valuation inputs would affect profit or loss or other comprehensive income as follows:

			Changes in fair value reflected in other comprehensive income	
	Put Value	**Change**	**Favorable Change**	**Unfavorable Change**
2024/12/31				
Financial Assets at Fair Value through Profit or Loss - Joint Development Investment Equity	Building Price per Ping	5%	$ 8,618	(8,618)
Financial Assets at Fair Value through Profit or Loss - Joint Development Investment Equity	Building Construction Cost per Ping	5%	$ 6,209	(6,209)
Financial Assets at Fair Value through Profit or Loss - Joint Development Investment Equity	Illiquidity Discount	5%	$ 3,011	(3,011)
Fair Value through Other Comprehensive Income - Financial Assets	P/E Multiple	5%	$ 1,195	(1,189)
Fair Value through Other Comprehensive Income - Financial Assets	Illiquidity Discount	5%	$ 302	(296)
2023/12/31				
Financial Assets at Fair Value through Profit or Loss - Joint Development Investment Equity	Building Price per Ping	5%	$ 8,443	(8,443)
Financial Assets at Fair Value through Profit or Loss - Joint	Building Construction Cost per Ping	5%	$ 6,083	(6,083)

Development Investment Equity				
Financial Assets at Fair Value through Profit or Loss - Joint Development Investment Equity	Illiquidity Discount	5%	$ 2,950	(2,950)
Fair Value through Other Comprehensive Income - Financial Assets	P/E Multiple	5%	$ 1,195	(1,195)
Fair Value through Other Comprehensive Income - Financial Assets	Illiquidity Discount	5%	$ 296	(296)

The favorable and unfavorable changes represent the effect of a shift in fair value, and the fair value is calculated using different levels of unobservable inputs and valuation techniques. If the fair value of the financial instruments is influenced by more than one input, the table only reflects the impact of the change in a single input, without considering the correlation and variability among the inputs.

(22) Financial Risk Management

1.Overview

The Group is exposed to the following risks arising from the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information about the Group's exposure to the aforementioned risks, as well as the Group's objectives, policies, and procedures for measuring and managing these risks. For quantitative disclosures, please refer to the related notes in the consolidated financial statements.

2.Risk Management Framework

The purpose of the Group's financial risk management is to identify and assess risks arising from operations, such as foreign exchange risk, interest rate risk, credit risk, and liquidity risk, through appropriate risk management mechanisms. The Group seeks to mitigate market uncertainties and reduce the potential adverse impact on financial performance.

All significant financial activities conducted by the Group comply with established procedures governing overall financial risk management and the delineation of responsibilities and authority.

3.Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk primarily arises from the Group's receivables from customers and investment activities.

(1) Accounts Receivable and Other Receivables

The Group's operating activities primarily involve transactions with well-known global apparel brands that generally possess good credit standings. Nonetheless, the Group enforces a stringent credit policy and actively negotiates for customers to make advance payments or utilize letters of credit to minimize credit risk.

For long-term customers, the Group considers factors such as their financial condition, internal credit ratings, payment history, and prevailing economic conditions when reviewing credit terms and limits.

The Group maintains an allowance for doubtful accounts to reflect estimated losses on accounts receivable, other receivables, and investments. This allowance includes specific provisions for individually significant exposures and collective provisions for incurred but not yet identified losses on groups of similar assets. The collective loss allowance is determined based on historical payment statistics for similar financial assets.

(2) Investments

Credit risk associated with bank deposits, fixed income investments, and other financial instruments is assessed and monitored by the Group's finance department. Since the Group's counterparties are reputable financial institutions and companies with investment-grade credit ratings, there are no significant credit concerns or major credit risk exposures.

4.Liquidity Risk

The Group manages liquidity risk by maintaining adequate levels of cash and cash equivalents to support operating requirements and mitigate the impact of cash flow fluctuations. Management monitors the utilization of bank credit facilities and ensures compliance with loan covenants.

Bank loans represent a significant source of liquidity for the Group. As of December 31, 2024 and 2023, unused credit facilities are disclosed in Notes 6(11) and 6(12), respectively.

5.Market Risk

Market risk is the risk that changes in market prices—such as foreign exchange rates, interest rates, and equity prices—will affect the Group's earnings or the value of its financial instruments. The objective of market risk management is to control the exposure within acceptable limits and to optimize returns.

(1) Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from sales, purchases, and borrowings denominated in currencies other than the functional currencies of each Group entity. The functional currencies of Group entities are primarily New Taiwan Dollars (NTD) and Renminbi (RMB). These transactions are primarily denominated in NTD, USD, and RMB.

(2) Interest Rate Risk

The Group is exposed to cash flow risk arising from borrowings with variable interest rates, while borrowings with fixed rates expose the Group to fair value interest rate risk.

(23) Capital Management

The Group's policy is to maintain a sound capital base in order to preserve the confidence of investors, creditors, and the market, as well as to support the future development of its operations. Capital includes the Company's share capital, capital surplus, and retained earnings.

The Group monitors its capital structure through regular review of its debt-to-equity ratio. Management determines the optimal capital structure by maintaining an appropriate total liabilities-to-equity ratio. While ensuring a solid capital base, the Group aims to optimize the balance of debt and equity to maximize shareholder returns.

As of 2024/12/31 and 2023/12/31, the Group's debt-to-equity ratios were as follows:

	2024/12/31	2023/12/31
Total liabilities	$ 1,477,731	1,512,729
Total equity	1,459,589	1,261,336
Debt-to-equity ratio	101%	120%

(24) Non-cash Investing and Financing Activities

For the years ended 2024/12/31 and 2023/12/31, the Group's non-cash investing and financing activities were as follows:

1.Right-of-use assets acquired through leases. Please refer to Note 6(9).

2.Reconciliation of liabilities arising from financing activities is presented as follows:

			Non-cash changes		
	2024/01/01	Cash Flows	Increase in lease contracts	Exchange Rate Changes	2024/12/31
Short-term borrowings	$ 684,075	(145,653)	-	2,258	540,680
Due to related parties – financing funds (classified under Other payables – related parties)	18,125	-	-	944	19,069
Long-term borrowings (including portion due within one year)	318,861	100,000	-	-	418,861
Guarantee deposits received	5,446	-	-	-	5,446
Lease liabilities	47	(100)	200	-	147
Total liabilities from financing activities	**$ 1,026,554**	**(45,753)**	**200**	**3,202**	**984,203**

			Non-cash changes		
	2023/01/01	Cash Flows	Add	Exchange Rate Changes	2023/12/31
Short-term borrowings	$ 640,680	43,395	-	-	684,075
Due to related	18,435	-	-	(310)	18,125

parties – financing funds (classified under Other payables – related parties)					
Long-term borrowings (including portion due within one year)	80,400	238,461	-	-	318,861
Guarantee deposits received	4,577	869	-	-	5,446
Lease liabilities	3,137	(3,090)	-	-	47
Total liabilities from financing activities	**$ 747,229**	**279,635**	**-**	**(310)**	**1,026,554**

7 Related party transactions

(1) Name and relationship of related parties

The related parties with whom the Consolidated Company had transactions during the period covered by these consolidated financial statements are as follows:

Related Party Name	Relationship with the Company
SAMPSON TECHNOLOGY CORP.(SAMPSON)	Affiliated Companies
ARTITEX TECHNICAL CORP.	The Chairman of the Company is the same as the Chairman of the Company
CHANG-HO TEXTILE CO., LTD(CHT)	ditto
NOA GROUP CORP.(NOA)	ditto
Elastic Glory International Ltd. (EGIL)	ditto
Delight Assets Ltd. (Delight)	The person in charge of the company is a relative within the second degree of consanguinity of the Chairman of the Company.
KIRINTEX ENTERPRISE COMPANY Ltd.(KEC)	The person in charge of the company is the spouse of the Chairman of the Company
Ming-Tse Chen	Chairman of the Board of Directors of the Company

(2) Significant transactions with related parties

1.Operating Revenue

The significant sales amounts to related parties by the Group are as follows:

	2024/12/31	2023/12/31
Other related parties	$ 64,487	45,800

The sales prices to related parties are not comparable to those of unrelated parties. However, the payment terms—monthly settlement with 30 to 60 days—are not significantly different from those offered to general customers.

2. Purchases

The amounts of purchases made by the consolidated company from related parties are as follows:

	2024/12/31	2023/12/31
Other Related Party – CHANG-HO TEXTILE CO., LTD.	$ 91,533	81,858

The consolidated entity has no comparable arm's length transaction prices for purchases from related parties. The payment terms are 60 days after the end of the month.

3.Accounts Receivable from Related Parties

Details of accounts receivable from related parties are as follows:

Presentation Items	**Related Party Category**	**2024/12/31**	**2023/12/31**
Accounts receivable	Other related party – NOA GROUP CORP.	$ 14,918	6,755
	Other related party – Others	276	8
Notes receivable	Other related parties	40	-
Less: Allowance for doubtful accounts		(221)	(158)
		$ 15,013	6,605

4. Payables to Related Parties

The details of the Group's payables to related parties are as follows:

Presentation Items	**Related Party Category**	**2024/12/31**	**2023/12/31**
Accounts Payable	Other Related Party – CHANG-HO TEXTILE CO., LTD.	$ 15,737	4,634
Notes Payable	Ditto	19,936	8,696
		$ 35,673	13,330

5. Borrowings from Related Parties

The details of the Group's borrowings from related parties are as follows:

	2024/12/31	2023/12/31
Payables for Financing Transactions		
Current (recorded under Other Payables—Related Parties):		

Associate – Sampson Technology Corp.	$ 9,819	9,333
Other Related Party – EGIL	2,320	2,205
Chairman of the Company	6,930	6,587
	$ 19,069	**18,125**
Accrued Interest (recorded under Other Payables—Related Parties):		
Other Related Party – EGIL (Note)	$ 63,437	60,230
Chairman of the Company	5,577	5,302
	$ 69,014	**65,532**

Note: This refers to the interest payable calculated at an annual interest rate of 2% on the loan from EGIL to Chang-Ho Shaoxing. The principal was fully repaid in 2020.

Starting from 2021, borrowings from related parties bear no interest, and no collateral has been provided.

6. Leases – Leased-out Assets

The Group leased office buildings to other related parties, and the rental income generated is as follows:

	2024/12/31	2023/12/31
Other Related Party	**$ 1,368**	**1,368**

(3) Transactions with Key Management Personnel

Compensation of key management personnel includes:

	2024/12/31	2023/12/31
Short-term employee benefits	$ 5,465	4,820
Post-employment benefits	144	141
	$ 5,609	**4,961**

8. Assets Pledged as Collateral

The carrying amounts of assets pledged as collateral by the consolidated entities are as follows:

Asset Description	Subject of pledge	2024/12/31	2023/12/31
Restricted bank deposits (classified as other current financial assets)	Banker's acceptances	$ 14,648	2,211
Restricted bank deposits (classified as other current financial assets)	Trust management	140,397	240,531
Property, plant and equipment, net	Short- and long-term borrowings and credit facilities	309,306	310,984
Investment property,	Short- and long-term	208,061	209,991

net	borrowings and credit facilities		
Right-of-use assets	Short-term borrowings and banker's acceptances	20,085	19,786
Inventories – Land for construction	Short-term borrowings and credit facilities	-	547,822
Inventories – Land under development	Short-term borrowings and credit facilities	547,822	-
		$ 1,240,319	1,331,325

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The unrecognized contractual commitments of the consolidated entities are as follows:

(1) Total contract amount and unrecognized commitments for development projects entered into by the consolidated entities:

	2024/12/31	2023/12/31
Total contract amount	$ 51,553	18,353
Amounts paid in accordance with contracts (classified as other non-current assets)	$ 30,678	12,418

10. Significant Losses from Disasters: None.

11. Significant Subsequent Events: None.

12. Others

(1) Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function:

	2024/12/31			2023/12/31		
By Function / By Nature	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Salaries	70,473	40,006	110,479	104,699	35,157	139,856
Labor and health insurance expenses	2,925	3,166	6,091	3,084	3,097	6,181
Pension expenses	3,992	1,713	5,705	3,610	2,021	5,631
Other employee benefits expenses	1,142	4,384	5,526	355	3,905	4,260
Depreciation	28,418	7,965	36,383	26,927	10,265	37,192

expenses						
Amortization expenses	875	7	882	860	6	866

13. Notes Disclosure

(1) Information on Major Transactions

1. Financing Provided to Others：

Lending Entity	Borrower	Account	Relationship	Maximum Balance	Ending Balance	Actual Balance	Interest Rate Range	
The Company	Fu-Chang	Other Receivables - Related Parties	Yes	110,000	-	-	-%	
The Company	Chang-ho Shaoxing	Other Receivables - Related Parties	Yes	200,000	200,000	-	-%	
Lending Entity	**Nature of Loan**	**Purpose**	**Provision for Bad Debt**	**provision for loss reserve**	**Collateral – name**	**Collateral - individual limit**	**Individual Limit**	**Total Limit**
The Company	Fu-Chang	Other Receivables - Related Parties	Business Operations	-	-	-	550,995	550,995
The Company	Chang-ho Shaoxing	Other Receivables - Related Parties	Business Operations	-	-	-	550,995	550,995

2. Endorsements and Guarantees Provided：

Endorser/ Guarantor	Endorsee/ Guarantee Recipient - Name	Endorsee/ Guarantee Recipient - Relationship	Limit for Single Entity	Maximum Balance During Period	Ending Balance	Actual Amount Utilized	Collateral Value of Guarantees
The Company	Fu-Chang	Subsidiary	826,492	100,000	100,000	100,000	-
The Company	Chang-ho Shaoxing	Subsidiary	826,492	328,350 (USD10,000)	-	-	-
Endorser/ Guarantor	**Endorsee/ Guarantee Recipient - Name**	**Endorsee/ Guarantee Recipient - Relationship**	**Total Amount of Endorsements and Guarantees as a Percentage of Net Worth**	**Maximum Limit for Endorsements and Guarantees**	**Endorsement and Guarantee to Subsidiary**	**Endorsement and Guarantee to Parent**	**Endorsement and Guarantee to Mainland China**
The Company	Fu-Chang	Subsidiary	7%	1,101,990	Y	N	N
The Company	Chang-ho	Subsidiary	- %	1,101,990	Y	N	Y

	Shaoxing						

3. Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)：

Holding Company	Type and Name of Securities	Relationship with the Issuer	Account	Number of Shares / Units	Book Value	Shareholding Percentage	Fair Value	Maximum Shareholding or Capital Contribution During the Period
The Company	NOA	Chairman is the same as that of the Company	Financial Assets at Fair Value through Other Comprehensive Income - Non-current	580	23,816	19.33%	23,816	19.33%

4. Total purchases or sales of the same marketable securities reaching NT$300 million or 20% of paid-in capital or more: None.
5. Acquisitions of real estate amounting to NT$300 million or 20% of paid-in capital or more: None.
6. Disposals of real estate amounting to NT$300 million or 20% of paid-in capital or more: None.
7. Purchases from or sales to related parties reaching NT$100 million or 20% of paid-in capital or more: None.
8. Accounts receivable from related parties reaching NT$100 million or 20% of paid-in capital or more: None.
9. Engaged in derivative transactions: Please refer to Note 6(2) for details.
10. Intercompany relationships and significant intercompany transactions:

Company Name	Related Party	Relationship	Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
The company	Chang-Ho Shaoxing	Parent company to subsidiary	Operating Income	5,798	No comparable market price available; payment received within 6 months after sale.	0.54%
Chang-Ho Shaoxing	The company	Subsidiary to parent company	Operating Income	10,060	Monthly settlement with 60-day terms	0.93%
Chang-Ho Shaoxing	The company	Subsidiary to parent company	Accounts receivable	6,291	Ditto	0.21%
The company	Fu-Chang Construction Co	Parent company to subsidiary	Other receivables-Related Parties	33,216	As mutually agreed upon by both parties.	1.13%

(2) Information on Investments:

Investor	Investee	Location	Main Business	Original Investment Amount - End of Current	Original Investment Amount - End of last Period	Number of Shares (thousands)	Shareholding Percentage	Book Value
The Company	HFGL	British Virgin Islands	International Trade and Investment	667,200	667,200	19,900	83.26%	367,211
Ditto	Fu-Chang	Taipei City	Development and Sales of Residential and Commercial Buildings	60,000	60,000	6,000	100%	(95,949)
Ditto	Shenghe Advanced Technology Co., Ltd.	Taipei City	Manufacturing and Sales of Various Tapes	20,000	20,000	2,000	40%	13,905

Investor	Investee	Maximum Number of Shares Held During the Period	Maximum Shareholding Percentage During the Period	Investee Current Profit/Loss	Recognized Investment Gain/Loss	Remark
The Company	HFGL	19,900	83.26%	105,060	87,474	Subsidiary The transactions listed on the left have already been eliminated in the preparation of the consolidated report.
Ditto	Fu-Chang	6,000	100%	(60,611)	(60,611)	Subsidiary The transactions listed on the left have already been eliminated in the preparation of the consolidated report.
Ditto	Shenghe Advanced Technology Co., Ltd.	2,000	40%	86	34	Associate

(3) Mainland China Investment Information:

1. Information on Mainland China Investee Companies:

Mainland China Investee	Main Business	Paid-in Capital	Investment Method	Cumulative Amount Remitted from Taiwan to Mainland China at the Beginning of the Period	Amount Remitted During the Period	Amount Recovered During the Period	Cumulative Amount Remitted from Taiwan to Mainland China at the End of the Period	Current Profit/Loss	Shareholding Percentage	Maximum Shareholding or Investment Percentage During the Period	Recognized Investment Gain/Loss (Note 2)	Book Value at End of Period (Note 3)	Amount Repatriated to Taiwan up to the End of the Period

Chang-Ho Shaoxing	Manufacturing and Sales of Various Fibers and Fabrics	795,850	(註 1)	665,870	-	-	665,870	105,350	83.26%	83.26%	87,714	383,333	-

2. Investment Limits in Mainland China：

Cumulative Amount Remitted from Taiwan to Mainland China at the End of the Period	Investment Amount Approved by MOEAIC (Note 3)	Investment Limit in Mainland China as per MOEAIC
665,870 (US$19,860 thousand)	652,421 (US$19,900 thousand)	826,492

Note 1: Investment through third-region investment companies.
Note 2: The recognized investment gain/loss is based on the financial reports of the investee companies audited by the parent company's accountants.
Note 3: The amount is converted into NT$ at the exchange rate on the financial reporting date.

3. Significant Transactions:
The significant transactions conducted directly or indirectly between the Group and its investee companies in Mainland China during the year ended (which have been eliminated in the preparation of the consolidated financial statements) are disclosed in the sections “Disclosure of Significant Transactions” and “Business Relationships and Significant Transactions Between Parent and Subsidiaries.”

(4) Information on major shareholders:

Name of Major Shareholder	Number of Shares Held	Shareholding Percentage
Concord Business Development Consultant Co., Ltd.	21,399,870	13.34%
Ming-Tse Chen	18,344,580	11.43%
Hsiang Tai Hsing Investment Co., Ltd.	15,583,776	9.71%
Shang Feng Lung Investment Co., Ltd.	14,439,485	9.00%
Ho Feng Lung Investment Co., Ltd.	13,629,708	8.49%
Rightex International Corp.	12,207,734	7.61%
Chen-Yi Chen	10,154,288	6.33%
Chieh-Yu Chen	10,118,720	6.30%
Yao-Hsiang Chen	9,733,353	6.06%
Artitex Technical Corp.	8,846,496	5.51%

Note:
- The information on major shareholders is calculated based on the data of shareholders holding 5% or more of the Company's shares (including treasury shares) on the last business day of each quarter as recorded by the Taiwan Depository & Clearing Corporation (TDCC). There may be differences between the total share capital recorded in the Company's financial statements and the actual number of shares registered due to different calculation bases.
- If shareholders have entrusted their shares to a trust, the disclosed information is based on the individual accounts of the trustors. For shareholders who are required to file reports on their holdings exceeding 10% under the Securities

and Exchange Act, their shares include their own holdings and shares entrusted to the trust where they retain control over the trust property. For information on insider shareholding reports, please refer to the Market Observation Post System (MOPS).

14. Segment information

(1) Information about income/loss, assets, liabilities, basis for measurement and reconciliation for reportable segments

The information provided by the Consolidated Company to the chief operating decision maker for the purpose of allocating resources and evaluating departmental performance is measured on a company-by-company basis and should therefore be reported to the Consolidated Company as follows:

Taiwan - The company.

China - Chang-ho Fibre (Shaoxing) Co. (SX)

Other departments-HFGL and FCC.

Information on the consolidated company's segment revenue and operating results is as follows:

	Taiwan	China	Other	Adjustment and write off	Total
2024/12/31					
Revenue from customers	$ 465,142	613,102	-	-	1,078,244
Inter-segment revenue	5,798	10,035	-	(15,833)	-
Interest income	5,522	3,495	1,261	(130)	10,148
Total revenue	$ 476,462	626,632	1,261	(15,963)	1,088,392
Share of profit (loss) of associates and joint ventures accounted for using the equity method	$ 34	-	-	-	34
Reportable segment profit (loss)	$ 124,795	140,502	(60,901)	-	204,396
Total segment assets					$ 2,937,320
2023/12/31					
Revenue from customers	$ 243,383	809,510	-	-	1,052,893
Inter-segment revenue	21,132	-	-	(21,132)	-
Interest income	6,477	2,060	1,450	(480)	9,507
Total revenue	$ 270,992	811,570	1,450	(21,612)	1,062,400

Share of profit (loss) of associates and joint ventures accounted for using the equity method	$ 279	-	-	-	279
Reportable segment profit (loss)	$ (38,985)	186,031	(76,822)	-	70,224
Total segment assets					$ 2,774,065
Reportable segment (loss) income	$ 37,342	16,700	(6,627)	-	47,415

(2) Product Information

The revenue from external customers of the consolidated company is as follows:

Product Name	**2024/12/31**	**2023/12/31**
Woven Fabrics for Garments	$ 762,738	787,114
Air-Covered Yarn	229,661	221,305
Others	85,845	44,474
	$ 1,078,244	**1,052,893**

(3) Geographical Information

The Group's geographical information is as follows. Revenue is classified based on the customer's geographical location, while non-current assets are classified based on the location of the assets.

Geographical Area	**2024/12/31**	**2023/12/31**
Revenue from External Customers:		
Taiwan	$ 465,142	243,383
China	613,102	809,510
Total	**$ 1,078,244**	**1,052,893**
Non-current Assets:		
Taiwan	$ 700,133	684,985
China	382,696	399,066
Total	**$ 1,082,829**	**1,084,051**

(4) Major Customer Information

The breakdown of sales to customers whose revenue from external sales accounted for 10% or more of the total consolidated revenue as reported on the consolidated statement of comprehensive income is as follows:

	2024/12/31	2023/12/31
A Company	$ 104,394	56,730