Stock code: 1468

Chang-ho Fibre Corporation and Subsidiaries

Individual Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Notice to Readers: *The independent auditors' report and the accompanying 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 financial statements, the Chinese version shall prevail.*
These financial statements have not been audited or reviewed by independent auditors.

Independent Auditor's Report

To the Board of Directors of Chang Ho Fibre Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Chang-Ho Fibre Corporation and its subsidiaries as of December 31, 2024 and 2023, and their financial performance and 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 Company'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 Company 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 Company’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.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing The Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate The Company 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 Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.

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

4.Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

5.Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of The Company 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 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

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)	$ 198,087	13	77,572	5
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2)	19,791	1	-	-
1170	Net notes and accounts receivable	6(4).6(19)	20,395	1	14,611	1
1180	Accounts receivable from related parties	6(4).6(19).7	10,552	1	1,357	-
1200	Other receivables	6(5).6(15)	3,984	-	14,855	1
1210	Other Receivables – Related Parties	7	-	-	62,826	4
1310	Inventories	6(6).8	147,155	9	210,941	14
1470	Prepayments and other current assets		3,168	-	3,209	-
			403,132	25	385,371	25
	Non-current assets:					
1517	Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current	6(3)	23,816	2	23,869	2
1550	Investments accounted for using equity method	6(7)	381,116	23	278,272	20
1600	Property, plant and equipment	6(8).8	383,354	24	385,774	27
1755	Right of use assets	6(9).8	146	-	46	-
1760	Investment properties	6(10).8	249,936	15	251,869	17
1840	Deferred tax assets	6(16)	83,333	5	83,333	6
1975	Net Defined Benefit Assets – Non-current	6(15)	30,308	2	-	-
1990	Other non-current assets	6(6).9	67,147	4	49,371	3
			1,219,156	75	1,072,534	75

	Total assets		$ 1,622,288	100	1,457,905	100
	Liabilities and equity					
	Current liabilities:					
2100	Short-term borrowings	6(11)	$ -	-	100,000	7
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current	6(2)	-	-	12,166	1
2130	Contract liabilities - current	6(19)	3	-	3	-
2170	Notes and accounts payable		27,159	2	19,714	1
2180	Notes and accounts payable to related parties	7	41,528	2	12,894	1
2200	Other payables		11,248	1	13,254	1
2220	Other payables to related parties	7	-	-	5,812	-
2280	Lease liabilities – current	6(13)	100	-	47	-
2322	Current Portion of Long-term Borrowings	6(12)	8,290	-	7,387	1
2399	Other current liabilities		88,328	5	171,277	12
	Non-current liabilities:					
2570	Deferred tax liabilities	6(16)	88,246	6	81,315	6
2580	Lease liabilities – non-current	6(13)	47	-	-	-
2645	Deposits Received		5,446	-	5,446	-
2650	Investments Accounted for Using the Equity Method – Credit Balance	6(7)	62,733	4	-	-
			156,472	10	86,761	6
	Total liabilities		244,800	15	258,038	18
	Equity:					
	Equity attributable to owners of parent	**6(17)**	1,604,053	99	1,604,053	110
3110	Share Capital		26,753	2	26,753	2
3200	Capital surplus					
	Retained earnings:		137,037	8	137,037	9
3310	Legal Reserve		(473,588)	(29)	(639,146)	(44)

3350	Accumulated Deficit		(336,551)	(21)	(502,109)	(35)
			83,233	5	71,170	5
3400	Other Equity		1,377,488	85	1,199,867	82
			$ 1,622,288	**100**	**1,457,905**	**100**
	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						
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**	**%**
4100	Operating revenue	6(19),7	$ 470,940	100	264,509	100
5110	Operating costs	6(6), 6(15),7,12	457,192	97	352,123	133
	Gross profit (loss) from operations		13,748	3	(87,614)	(33)
5910	Unrealized Loss on Sales		(192)	-	(1,389)	(1)
5900	Realized Gross Profit (Loss)		13,940	3	(86,225)	(32)
	Operating expenses	6(15),12				
6100	Selling expenses		17,298	4	18,604	7
6200	Administrative expenses		43,836	9	46,642	18
6300	Research and Development Expenses		1,346	-	1,660	1
6450	Expected Credit Impairment Loss (Reversal Gains)	6(4)	34	-	(25)	-
			62,514	13	66,881	26
6900	**Net operating loss**		(48,574)	(10)	(153,106)	(58)
	Non-operating income and expenses:					
7100	Interest income	7	5,522	1	6,477	2
7110	Rent income	6(10),7	31,866	7	24,970	9
7190	Other Income	6(21),7	39,336	8	53,782	20
7235	Net Gains (Losses) on Financial Assets (Liabilities) at Fair Value Through Profit or Loss	6(2)	(617)	-	(3,710)	(1)
7050	Finance costs	6(14)	48	-	1,503	1
7210	Net (loss) gain on disposal of property, plant and equipment		5,031	1	7,044	3
7630	Foreign exchange net gain or (losses)	6(22)	26,897	6	66,499	25
7070	Share of Profit or Loss of Subsidiaries, Associates and Joint Ventures Accounted for Using the Equity Method	6(7)	200,231	42	180,341	68
			151,657	32	27,235	10
7900	**Profit before tax**		341	-	-	-
7950	**Less:** Income tax expense	6(16)	151,316	32	27,235	10
8200	**Net profit for the period**					
8300	**Other comprehensive profit and loss:**					
8310	**Items that Will Not Be Reclassified to Profit or Loss**		17,803	4	-	-
8311	**Remeasurements of Defined Benefit Plans**	6(15)	(53)	-	(16,654)	(6)
8316	Unrealized Gains (Losses) on Equity Instruments at Fair Value Through Other Comprehensive Income	6(3)	3,561	1	-	-
8349	Less: Income Tax Related to Items that Will Not Be Reclassified	6(16)	14,189	3	(16,654)	(6)
8360	**Items that May Be Reclassified Subsequently to Profit or Loss**		15,145	3	(5,225)	(2)
8361	Exchange Differences on Translation of Foreign Operations		3,029	-	(1,045)	-
8399	Less: Income Tax Related to Items that May Be Reclassified	6(16)	12,116	3	(4,180)	(2)
			26,305	6	(20,834)	(8)

8300	**Other comprehensive income, net**		$ 177,621	38	6,401	2
8500	**Total comprehensive income**				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

Statement of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other equity items			Total equity
	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	
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
Profit	-	-	-	27,235	27,235	-	-	-	27,235
Other comprehensive income (Loss)	-	-	-	-	-	(4,180)	(16,654)	(20,834)	(20,834)
Total comprehensive income (Loss)	-	-	-	27,235	27,235	(4,180)	(16,654)	(20,834)	6,401
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
Profit	-	-	-	151,316	151,316	-	-	-	151,316
Other comprehensive income (Loss)	-	-	-	14,242	14,242	12,116	(53)	12,063	26,305
Total comprehensive income (Loss)	-	-	-	165,558	165,558	12,116	(53)	12,063	177,621
Balance as of the Years Ended December 31,2024	**$ 1,604,053**	**26,753**	**137,037**	**(473,588)**	**(336,551)**	**65,217**	**18,016**	**83,233**	**1,377,488**

Chang - Ho Fibre Corporation and subsidiaries		
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	$ 151,657	27,235
Adjustments:		
Profit and Loss Items		
Depreciation expense	8,748	8,536
Expected Credit Impairment Loss (Reversal Gains)	34	(25)
Interest expense	617	3,710
Interest income	(5,522)	(6,477)
Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using the Equity Method	(26,897)	(66,499)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(92,148)	(23,776)
Other	(239)	(2,892)
Total Profit and Loss Items	(115,407)	(87,423)
Changes in operating assets and liabilities:		
(Decrease) increase in notes receivable and accounts receivable (including related parties)	(15,013)	52,551
(Decrease) increase in other receivables (including related parties)	13,897	(31,008)
Decrease (increase) in inventories	63,786	149,276
(Decrease) increase in Prepayments and Other Assets	22	79
Decrease (increase) in Prepayments and Other Current Assets	60,191	36,556
(Decrease) increase in Financial Assets and Liabilities at Fair Value Through Profit or Loss	(583)	-
(Decrease) increase in Net Defined Benefit Assets	-	(50)
Decrease (increase) in contract liabilities	36,079	(39,960)
Decrease (increase) in notes and accounts payable (including related parties)	(7,783)	(3,249)
Decrease (increase) in other payables	903	167
Decrease (increase) in other current liabilities	151,499	164,362
Total changes in operating assets and liabilities	187,749	104,174
Cash inflow (outflow) generated from operations	5,522	6,477
Interest received	(652)	(3,820)
Interest paid	19	(318)
Income Tax Refunds (Payments)	192,638	106,513
Net cash inflow (outflow) from operating activities		
Cash flows from investing activities:	-	(30,000)

Disposal of investments accounted for using equity method	(4,295)	(23,981)
Acquisition of property, plant and equipment	48	1,944
Proceeds from disposal of property, plant and equipment	-	8,200
Disposal of Investments Accounted for Using the Equity Method	50,000	(17,888)
Decrease (Increase) in Other Receivables – Related Parties	-	21,316
Decrease (increase) in other financial assets	(17,776)	(8,758)
Decrease (increase) in other non-current assets	27,977	(49,167)
Net cash inflow (outflow) from investing activities		
Cash flows from financing activities:	(100,000)	-
Increase (decrease) in Short-term Borrowings	-	(80,400)
Repayments of Long-term Borrowings	-	869
Increase in Refundable Deposits	(100)	(3,090)
Repayment of Lease Principal	(100,100)	(82,621)
Net cash inflow (outflow) inflow from financing activities	120,515	(25,275)
Net increase (decrease) in cash and cash equivalents	77,572	102,847
Cash and cash equivalent balance at beginning of period	$ 198,087	77,572
Cash and cash equivalents at end of period	$ 380,169	166,480

Chang-ho Fibre Corporation and Subsidiaries
Notes to the 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 financial report comprises the Company and its subsidiaries (collectively referred to as "The Company"). 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 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 Company 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 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 Company has evaluated the application of the following amendments, effective from January 1, 2025, and anticipates no significant impact on the 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 Company:

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 – 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 Company 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 Company expects that the following newly issued but not yet endorsed or effective standards and amendments will not have a material impact on the 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

Summary of Significant Accounting Policies Adopted in the Standalone Financial Statements

Unless otherwise stated, the accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements.

(1) Statement of Compliance

These standalone financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(2) Basis of Preparation

Measurement Basis

The standalone financial statements have been prepared on the historical cost basis, except for the following significant balance sheet items that are measured on a different basis:

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

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

Functional and Presentation Currency

The Company's functional currency, which is the currency of the primary economic environment in which it operates, is used for the preparation of these financial statements. The standalone financial statements are presented in New Taiwan Dollars (NT$), and all financial information is expressed in thousands of NT$, unless otherwise indicated.

(3) Foreign Currency

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 (the “reporting date”), foreign currency monetary items are translated into the functional currency at the closing rate.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising from such translations are generally recognized in profit or loss, except for those related to equity instruments designated at fair value through other comprehensive income, which are recognized in other comprehensive income.

Foreign Operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan dollars (NTD) using the exchange rate at the reporting date. Income and expense items are translated using the average exchange rate for the period. Exchange differences arising from such translations are recognized in other comprehensive income.

When a foreign operation is disposed of, such that control, joint control, or significant influence is lost, the cumulative amount of exchange differences relating to that foreign operation is reclassified from equity to profit or loss. For partial disposals that include an associate or joint venture that is a foreign operation, the relevant portion of the cumulative exchange differences is reclassified to profit or loss.

For monetary receivables or payables due from or to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, the resulting exchange differences are considered part of the net investment in the foreign operation and are recognized in other comprehensive income.

(4) Criteria for Classifying Assets and Liabilities as Current or Non-Current

The Company classifies an asset as current when it satisfies any of the following criteria; all other assets are classified as non-current:

It is expected to be realized in the entity’s normal operating cycle, or is intended to be sold or consumed in that cycle;

It is held primarily for the purpose of trading;

It is expected to be realized within twelve months after the reporting period; or

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.

The Company classifies a liability as current when it satisfies any of the following criteria; all other liabilities are classified as non-current:

It is expected to be settled in the entity’s normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(5) 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 subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

(6) Financial Instruments

Trade receivables and issued debt securities are initially recognized when they arise. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets or financial liabilities not measured at fair value through profit or loss (FVTPL) (excluding trade receivables without a significant financing component) are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Trade receivables without a significant financing component are initially measured at transaction price.

Financial Assets
Purchases or sales of financial assets that require delivery within a timeframe established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date.
Financial assets are classified at initial recognition into one of the following categories:

measured at amortized cost,

measured at fair value through other comprehensive income (FVOCI) for equity instruments, or

measured at fair value through profit or loss (FVTPL).

The Company reclassifies financial assets only when its business model for managing those assets changes.

(1) Financial Assets Measured at Amortized Cost
A financial asset is measured at amortized cost if both of the following conditions are met:

it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Such assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(2) Equity Investments Measured at FVOCI
Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.
Dividends received on such investments (unless clearly representing a recovery of part of the cost of the investment) are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

(3) Financial Assets Measured at FVTPL
Financial assets that are not measured at amortized cost or FVOCI are measured at FVTPL. This includes financial assets held for trading and those that are managed on a fair value basis. The Company may also designate financial assets that meet the criteria to be measured at amortized cost or FVOCI as FVTPL to eliminate or significantly reduce an accounting mismatch.
These assets are subsequently 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 Company recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost, including cash and cash equivalents, trade receivables, other receivables, refundable deposits, and other financial assets.
For the following financial instruments, the Company measures loss allowances at an amount equal to 12-month ECLs:

debt securities that are determined to have low credit risk at the reporting date, and

other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.
For trade receivables, the Company applies a simplified approach and measures loss allowances at an amount equal to lifetime ECLs.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial

instrument.
12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life is less than 12 months).
ECLs are discounted using the financial asset's effective interest rate.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition, based on reasonable and supportable information without undue cost or effort.
If the credit rating is considered "investment grade" (e.g., S&P BBB, Moody's Baa3, or Taiwan Ratings twA or higher) and the counterparty is a financial institution with similar rating, the credit risk is considered low.
If contractual payments are more than 30 days past due, credit risk is presumed to have increased significantly.
If payments are more than 90 days past due, or it is unlikely that the borrower will pay in full, the asset is considered credit-impaired.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the asset. Loss allowances for debt investments measured at FVOCI are recognized in other comprehensive income and do not reduce the carrying amount of the asset.

If the Company determines that the recovery of a financial asset is no longer expected, it writes off the asset's gross carrying amount. Recovery of amounts previously written off continues to be pursued in accordance with the Company's procedures.

(5) Derecognition of Financial Assets
A financial asset is derecognized only when:

the contractual rights to the cash flows from the financial asset expire; or

the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset.
If the Company retains substantially all risks and rewards of ownership, the financial asset is not derecognized.

Financial Liabilities and Equity Instruments

(1) Classification of Financial Liabilities or Equity Instruments
The classification of a financial instrument as a financial liability or equity instrument is based on the substance of the contractual arrangement and definitions of financial liability and equity.

(2) Equity Transactions
An equity instrument is any contract that evidences a residual interest in the assets of the Company after

deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

(3) Financial Liabilities
Financial liabilities are measured at amortized cost using the effective interest method. Interest expense and exchange gains or losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(4) Derecognition of Financial Liabilities
The Company derecognizes a financial liability when the obligation is discharged, cancelled, or expires. If an existing financial liability is replaced with another from the same lender on substantially different terms, the original liability is derecognized and a new liability is recognized, with the difference recognized in profit or loss.

(5) Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legally enforceable right to set off and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivative Financial Instruments
The Company uses derivative financial instruments to hedge its exposure to foreign currency and interest rate risks.
Embedded derivatives are accounted for separately if the host contract is not a financial asset and certain conditions are met.
Derivatives are initially measured at fair value. Subsequent changes in fair value are recognized in profit or loss.

(7) Inventories
Inventories are stated at the lower of cost and net realizable value. Net realizable value represents 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.

(8) Investments in Associates
An associate is an entity over which the Company has significant influence but not control or joint control over its financial and operating policies.
Investments in associates are accounted for using the equity method. Under the equity method, investments are initially recognized at cost, including transaction costs. The carrying amount of the investment includes goodwill identified at acquisition, less any accumulated impairment losses.
The parent company financial statements include the Company's share of the profit or loss and other comprehensive income of the investee, from the date significant influence commences until the date that significant influence ceases, after adjustments to align the investee's accounting policies with those of the

Company.
Changes in the associate’s equity that are not attributable to profit or loss or other comprehensive income and do not affect the Company’s ownership percentage are recognized in capital surplus based on the Company's ownership interest.
Unrealized gains and losses arising from transactions with associates are eliminated to the extent of the Company’s interest in the associate. If the Company’s share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
When the Company ceases to have significant influence over an associate, it discontinues the use of the equity method and measures the retained interest at fair value. The difference between the fair value of the retained interest, proceeds from the disposal, and the carrying amount of the investment at the date the equity method ceases is recognized in profit or loss.
Amounts previously recognized in other comprehensive income related to the associate are reclassified to profit or loss (or retained earnings) on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.
If the Company's ownership interest in an associate is reduced but significant influence is retained, the proportionate amount of gains or losses previously recognized in other comprehensive income is reclassified to profit or loss (or retained earnings) in accordance with the reduction in ownership percentage.

(9) Investments in Subsidiaries
In the preparation of the parent company only financial statements, investments in subsidiaries over which the Company has control are accounted for using the equity method. Under the equity method, the Company’s profit or loss and other comprehensive income in the parent company only financial statements are consistent with the amounts attributable to the owners of the parent in the consolidated financial statements.
Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

(11) Property, Plant and Equipment

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 an item of property, plant and equipment comprises significant parts with different useful lives, each part is accounted for as a separate item (major component).

Reclassification to Investment Property
If an owner-occupied property becomes an investment property, it is reclassified at its carrying amount at the date of reclassification.

Subsequent Costs
Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation is calculated on the cost of the asset less its residual value using the straight-line method over the estimated useful lives of each significant part.
Land is not depreciated.
Estimated useful lives for the current and comparative periods are as follows:
(1) Buildings: 3 to 50 years
(2) Machinery and equipment: 3 to 10 years
(3) Other equipment: 2 to 15 years
The depreciation method, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. 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.

As Lessee
At the commencement date, the Company recognizes a right-of-use asset and a lease liability.
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimated costs of dismantling, removing the underlying asset, and restoring the site, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The Company also assesses for impairment of the right-of-use asset and adjusts 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 that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
Lease payments included in the measurement 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 of a purchase option or penalties for terminating the lease, if reasonably certain of exercise.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest, and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments due to a change in index or rate, residual value guarantees, lease term, or other contractual modifications.
When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset, or recognized in profit or loss if the right-of-use asset has been reduced to zero.

For lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, and any difference with the remeasured lease liability is recognized in profit or loss.

Right-of-use assets and lease liabilities that do not meet the definition of investment property are presented as separate line items in the balance sheet.
For short-term leases and leases of low-value assets, the Company has elected not to recognize right-of-use assets and lease liabilities. Lease payments are recognized as an expense on a straight-line basis over the lease term.

For rent concessions that meet all of the following conditions, the Company applies a practical expedient not to assess whether they are lease modifications:
(1) They are a direct consequence of the COVID-19 pandemic;
(2) The revised consideration is substantially the same or less than the original consideration;
(3) The reduction affects only payments originally due on or before June 30, 2022; and
(4) There is no substantive change to other lease terms.
The effects of such rent concessions are recognized in profit or loss when the event or condition that triggers the concession occurs.

As Lessor
For contracts where the Company is a lessor, leases are classified at inception as finance leases or operating leases based on whether substantially all the risks and rewards incidental to ownership of the underlying asset are transferred. Classification is based on indicators such as whether the lease term covers the majority of the asset's economic life.

(13) Intangible Assets

Recognition and Measurement

Expenditures incurred during the research phase are recognized as expenses when incurred.

Development expenditures are capitalized only when the project is technically and commercially feasible, the Group intends and has sufficient resources to complete the development and to use or sell the asset, and the asset is expected to generate probable future economic benefits. All other development expenditures are recognized in profit or loss as incurred.

After initial recognition, capitalized development expenditures and other acquired intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditures on intangible assets 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.

Amortization

Amortization is calculated on the cost of the asset, less its residual value, using the straight-line method over its estimated useful life from the date the asset is available for use.

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

(14) Impairment of Non-Financial Assets

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

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

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use.

Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years.

(15) Revenue from Contracts with Customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to customers.

Revenue is recognized when control of the goods or services is transferred to the customer.

Sale of Goods

Revenue is recognized when control of the goods has transferred to the customer, i.e., when the goods have been delivered, the customer has full discretion over the goods, the goods are accepted by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance.

Trade receivables are recognized when the Company has an unconditional right to receive consideration.

Financing Component
The Company does not adjust the promised amount of consideration for the effects of a significant financing component if the period between when the goods or services are transferred and when the customer pays is expected to be one year or less.

(16) Employee Benefits

Defined Contribution Plans
Obligations for contributions to defined contribution pension plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined Benefit Plans
The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The defined benefit obligation is actuarially calculated annually using the projected unit credit method.
Remeasurements of the net defined benefit liability (asset), including actuarial gains and losses, the return on plan assets (excluding interest), and changes in the effect of the asset ceiling, are recognized immediately in other comprehensive income and accumulated in retained earnings or other equity.
Past service costs and gains or losses on curtailment are recognized in profit or loss when the plan amendment or curtailment occurs.
Gains or losses on settlement are recognized when the settlement occurs.

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 Company has a present legal or constructive obligation and the amount can be reliably estimated.

Termination Benefits
Termination benefits are recognized as expenses when the Company can no longer withdraw the offer of those benefits, or when it recognizes related restructuring costs, whichever is earlier.
If settlement is expected more than 12 months after the reporting date, the benefits are discounted.

(17) Income Tax
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, items recognized directly in equity, or in other comprehensive income.
Interest and penalties related to uncertain tax treatments are accounted for under IAS 37 rather than IAS 12.

The Company has determined that supplementary taxes under the Global Minimum Tax – Pillar Two regime fall within the scope of IAS 12, and it has applied the temporary mandatory exception from deferred tax accounting for such taxes. Actual payments of supplementary taxes are recognized in current 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.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred tax is not recognized for:

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

Temporary differences related to investments in subsidiaries, associates, and joint ventures to the extent that the Company is able to control the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future;

Taxable temporary differences arising from the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

(18) Earnings Per Share

The Company presents basic and diluted earnings per ordinary share attributable to ordinary equity holders of the Company.

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares, including employee compensation to be settled in shares not yet approved by the board.

(19) Segment Information

The Company has disclosed segment information in its consolidated financial statements; therefore, no such information is presented in the separate financial statements.

5. Significant Accounting Judgments, Estimates and Assumptions

Management is required to make judgments and estimates about the future (including climate-related risks and opportunities) when preparing these separate financial statements, which will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continually reviews its estimates and underlying assumptions, which are consistent with the Company's risk management and climate-related commitments. Changes in accounting estimates are recognized prospectively in the period of the change and future periods affected.

The Company's accounting policies do not involve significant judgments that have a significant effect on the recognized amounts in these separate financial statements.

The following assumptions and estimation uncertainties have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Relevant information is as follows:

(1) Valuation of Inventories

As inventories are measured at the lower of cost and net realizable value, the Company assesses the amount of inventory that is impaired due to normal wear and tear, obsolescence, or lack of market value at the reporting date and writes down the cost of inventory to its net realizable value. This inventory valuation is mainly based on estimates of product demand within a specific future period and is therefore subject to significant changes due to rapid industry shifts. Please refer to Note 6(6) for details of the inventory valuation allowance.

6.Contents of Significant Accounts

(1) Cash and Cash Equivalents

	2024/12/31	**2023/12/31**
Cash on hand and revolving funds	$ 228	213
Checks and demand deposits	105,733	33,144
Time deposits	92,126	44,215
Total	**$ 198,087**	**77,572**

(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	-
Financial liabilities held for trading - current:		
Non-hedging derivative instruments		
- Exchange contracts	$ -	12,166

1. The Company 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

(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 and Accounts receivable	$ 30,984	15,971
Less: Allowance for losses	(37)	(3)
	$ 30,947	15,968

Net notes and accounts receivable	$ 20,395	14,611
Net accounts receivable - related parties	10,552	1,357
	$ 30,947	**15,968**

The Company 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	$ 22,462	0.08%	17
Past due within 30 days	8,262	0.18%	15
Past due 31–60 days	253	1.19%	3
Past due 61–90 days	5	-%	-
Over 121 days past due	2	100.00%	2
Total	**$ 30,984**		**37**
2023/12/31			
Not past due	$ 11,960	0.01%	2
Past due within 30 days	3,969	0.03%	1
Past due 31–60 days	39	-%	-
Past due 61–90 days	3	-%	-
Total	**$ 15,971**		**3**

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

Item	**2024/12/31**	**2023/12/31**
Beginning Balance	$ 3	28
Recognition (Reversal) of Impairment Losses	34	(25)
Ending Balance	**$ 37**	**3**

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	$ 2,137	1,166
Receivables from pension plan settlement	-	11,922
Others	1,847	1,767

	$ 3,984	14,855

The movements in The Company's allowance for impairment loss of other receivables are as follows:

(6) Inventory

	2024/12/31	2023/12/31
Finished goods	$ 23,142	38,986
Work in progress	2,081	7,832
Raw materials	121,932	164,123
Total	$ 147,155	210,941

The Company 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	$ (144,320)	(21,747)

(7) Investments accounted for using the equity method

1. Investments accounted for using the equity method:

	2024/12/31	2023/12/31
Subsidiaries	$ 271,262	229,063
Associates	13,905	13,871
Less: Recognized assets –		
Other receivables – related parties	33,216	35,338
Book value of investments accounted for using the equity method	62,733	-
Total	$ 381,116	278,272

2.Subsidiaries

(1) Please refer to the consolidated financial statements for the year ended December 31, 2024.

(2) As of December 31, 2023, the Company recognized a credit balance of NT$35,338 thousand arising from its long-term investment in its subsidiary Fu-Chang Construction Co., Ltd. Since the Company also had other receivables from this subsidiary, the credit balance was reclassified as a deduction from "Other receivables – related parties." Please refer to Note 7 for further details.

(3) As of December 31, 2024, the Company recognized a credit balance of NT$95,949 thousand in its long-term investment in Fu-Chang Construction Co., Ltd. Of this amount, NT$33,216 thousand was reclassified as a deduction from "Other receivables – related parties" due to other receivables outstanding, as disclosed in Note 7. The remaining portion was presented as an investment credit balance under the equity method.

3.Significant Associates

The following is information on associates that are significant to the Company:

			Ownership and Voting Rights (%)	
Associate Name	Nature of Relationship	Principal Place of Business	2024/12/31	2023/12/31
Chung Tai Chang Hong Development Co., Ltd. (Chung Tai Chang Hong)	Engaged in residential and commercial building development, leasing, and sales; strategic alliance with the Company	Taiwan	-%	-%

The summarized financial information of significant associates is presented below. These amounts reflect adjustments made to align the associates' financial statements with the International Financial Reporting Standards (IFRS) adopted in the preparation of these individual financial statements, including adjustments for fair value at acquisition and accounting policy differences:

	2023/12/31
Beginning share of net assets	$ 8,200
Total comprehensive income attributable to the Company	-
Disposal	(8,200)
Ending share of net assets	**$ -**

On March 8, 2023, the Company sold its entire interest in Chung Tai Chang Hong Development Co., Ltd. to a non-related party at book value. The disposal consideration was NT$8,200 thousand and no gain or loss was recognized.

4.Individually Non-Significant Associates

The aggregate financial information of associates accounted for using the equity method that are individually not material is as follows:

	2024/12/31	2023/12/31
Aggregate carrying amount of investments in individually immaterial associates	**$ 13,905**	**13,871**
	2024/12/31	2023/12/31
Share of net income (loss) of the Company	$ 34	279
Other comprehensive income	-	-

Total comprehensive income	$ 34	279

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5.Pledge of Investments

As of December 31, 2024 and 2023, none of the Company's investments accounted for using the equity method were pledged as collateral.

(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	$ 333,296	121,044	51,120	169,014	928	675,402
Additions	-	-	-	-	4,295	4,295
Disposals	-	-	-	(552)	-	(552)
Transfers in (out)	-	42	-	3,447	(4,585)	(1,096)
Balance at 2024/12/31	$ 333,296	121,086	51,120	171,909	638	678,049
Balance at 2023/1/1	$ 321,621	131,359	60,216	171,257	339	684,792
Additions	-	-	-	-	23,981	23,981
Disposals	-	(323)	(27,789)	(2,655)	-	(30,767)
Transfers in (out)	11,675	(9,992)	18,693	412	(23,392)	(2,604)
Balance at 2023/12/31	$ 333,296	121,044	51,120	169,014	928	675,402
Accumulated depreciation and impairment losses:						
Balance at 2024/1/1	$ -	95,133	28,767	165,728	-	289,628
Depreciation	-	1,872	2,962	936	-	5,770
Disposals	-	-	-	(552)	-	(552)
Transfers in (out)	-	(151)	-	-	-	(151)

Balance at 2024/12/31	$ -	96,854	31,729	166,112	-	294,695
Balance at 2023/1/1	$ -	99,943	55,674	166,951	-	322,568
Depreciation	-	1,851	882	765	-	3,498
Disposals	-	(323)	(27,789)	(1,988)	-	(30,100)
Transfers in (out)	-	(6,338)	-	-	-	(6,338)
Balance at 2023/12/31	$ -	95,133	28,767	165,728	-	289,628
Carrying amount:						
Balance at 2024/12/31	$ 333,296	24,232	19,391	5,797	638	383,354
Balance at 2023/1/1	$ 321,621	31,416	4,542	4,306	339	362,224
Balance at 2023/12/31	$ 333,296	25,911	22,353	3,286	928	385,774

1.Reclassification to Investment Property

The Company leased out a portion of its self-used plant to third parties and reclassified the related property as investment property. Please refer to Note 6(10) for further details.

2.Pledged Property, Plant and Equipment

As of December 31, 2024 and 2023, details of the Company's property, plant and equipment pledged as collateral are provided in Note 8.

(9) Right-of-Use Assets

	Buildings and Structures	**Transportation Equipment**	**Total**
Cost of right-to-use assets:			
Balance at 2024/1/1	$ 31,153	2,711	33,864
Add	200	-	200
Balance at 2024/12/31	$ 31,353	2,711	34,064
Balance at 2023/1/1	$ 31,153	2,711	33,864
Depreciation and impairment loss of right-of-use assets.:			
Balance at 2024/1/1	$ 31,107	2,711	33,818
Depreciation	100	-	100
Balance at 2024/12/31	$ 31,207	2,711	33,918

Balance at 2023/1/1	$ 28,118	2,711	30,829
Depreciation	2,989	-	2,989
Balance at 2023/12/31	**$ 31,107**	**2,711**	**33,818**
Carrying amount:			
Balance at 2024/12/31	**$ 146**	**-**	**146**
Balance at 2023/1/1	**$ 3,035**	**-**	**3,035**
Balance at 2023/12/31	**$ 46**	**-**	**46**

(10) Investment Property

The Company's investment properties consist of owned assets, including factories and office spaces that are leased to third parties under operating leases. The non-cancellable lease terms for the leased investment properties range from 1 to 10 years. Certain lease agreements grant lessees an option to extend the lease term upon expiration. Rental income from the leased investment properties is based on fixed amounts. The movements in investment properties are as follows:

	Amount
Cost:	
Balance at 2024/1/1	$ 355,111
Net transferred from property, plant, and equipment	1,096
Balance at 2024/12/31	**$ 356,207**
Balance at 2023/1/1	$ 352,507
Net transferred from property, plant, and equipment	2,604
Balance at 2023/12/31	**$ 355,111**
Depreciation and impairment losses:	
Balance at 2024/1/1	$ 103,242
Depreciation	2,878
Net transfers from property, plant, and equipment	151
Balance at 2024/12/31	**$ 106,271**
Balance at 2023/1/1	$ 94,855
Depreciation	2,049
Net transfers from property, plant, and equipment	6,338
Balance at 2023/12/31	**$ 103,242**
Carrying amount:	
Balance at 2024/12/31	**$ 249,936**
Balance at 2023/1/1	**$ 257,652**
Balance at 2023/12/31	**$ 251,869**

1.The Company's investment properties consist of factories and office spaces leased to third parties. Each lease agreement includes an initial non-cancellable lease term, with subsequent terms subject to negotiation with the lessees. No contingent rent is collected under these agreements.

2.The fair value of the Company's investment properties was determined with reference to recent transaction prices of comparable properties in similar locations, obtained from the Ministry of the Interior's Real Estate Actual Transaction Price Inquiry Service and real estate agency websites. The valuation inputs used fall under Level 3 of the fair value hierarchy. As of December 31, 2024 and 2023, the fair value of the investment properties was NT$1,377,185 thousand and NT$1,129,947 thousand, respectively.

3.The Company leases out its investment properties under operating leases, as substantially all the risks and rewards incidental to ownership of the underlying assets have not been transferred. The analysis of the undiscounted lease payments to be received after the reporting date is as follows:

	2024/12/31	2023/12/31
Less than one year	$ 28,626	31,770
One to two years	24,528	29,482
Two to three years	11,928	27,897
Three to four years	11,928	11,928
Four to five years	11,928	11,928
Over five years	10,310	20,870
Total undiscounted lease payments	**$ 99,248**	**133,875**

(11) Other Non-Current Assets

The details of the Company's other non-current assets are as follows:

	2024/12/31	**2023/12/31**
Prepaid project development costs	$ 66,697	47,297
Others	450	2,074
Total	**$ 67,147**	**49,371**

Prepaid project development costs represent necessary costs and expenses that the Company is contractually obligated to pay in advance for a development project in cooperation with Fupin Construction Co., Ltd.

(12) Short-term borrowings

	2024/12/31	**2023/12/31**
Secured bank borrowings	**$ -**	**100,000**
Unused credit facility	**$ 300,000**	**1,740,000**
Interest rate range	**-**	**1.68%~1.81%**

1.For information regarding the Company's exposure to interest rate and liquidity risks, please refer to Note 6(22).

2.For details of the Company's pledged assets as collateral for bank borrowings, please refer to Note 8.

(13) Long-Term Borrowings

	2024/12/31	2023/12/31
Unused credit facility	$ 90,000	90,000

1.Bank Loan Guarantee (1): In November 2020, the Company applied for a seven-year loan extension with Shin Kong Bank. Repayments are scheduled over 84 months starting from November 2020, with monthly repayments of NT$1,300 thousand, and the loan is expected to be fully repaid by November 2027. Additionally, the Company made an early repayment of NT$76,500 thousand in February 2023.

2.For information on the Company’s exposure to interest rate and liquidity risks, please refer to Note 6(22).

3.For details of the Company's pledged assets as collateral for bank borrowings, please refer to Note 8.

(14) 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 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 Company 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 Company's employees have no longer accrued service years under the Labor Standards Act. The Company 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 Company employed foreign workers who are subject to the Labor Standards Act. In accordance with the law, The Company 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 Company 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 Company'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 Company 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 Company'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 Company'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 Company'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 Company's defined benefit plans for the year ended.

(5) Expenses Recognized in Profit or Loss

The expenses recognized in profit or loss by The Company 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 Company under its defined contribution pension plan are as follows:

	2024/12/31	2023/12/31
Cost of goods sold and operating expenses	$ 1,325	1,400

(16) Income Tax

1.Income Tax Expense

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

	2024/12/31	2023/12/31
Current income tax expense	$ -	-
Deferred income tax expense		
Arising from and reversal of temporary differences	341	-
	341	-
Total income tax expense	$ 341	-

(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	$ 151,657	27,235
Income tax calculated based on	$ 30,331	5,447

the statutory tax rates of each entity		
Share of net profit or loss of domestic investees accounted for using the equity method	12,115	15,297
Changes in unrecognized tax losses	(17,216)	-
Changes in unrecognized deductible temporary differences and others	(24,889)	(20,744)
Tax Expense	**$ 341**	**-**

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 Company are as follows:

	2024/12/31	**2023/12/31**
Deductible temporary differences	$ 33,550	62,589
Tax losses carried forward	1,190	18,406
	$ 34,740	**80,995**

Based on its assessment of the likelihood of generating future taxable income, The Company 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 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 Company will have sufficient future taxable income to utilize the tax losses.

As of 2024/12/31, the Company had unused tax losses for which no deferred tax assets were recognized. The expiration details are as follows:

Loss Year	Unused Tax Losses	Final Year for Utilization
2015	**$ 5,951**	2025

(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 2023/12/31	**$ 65,656**	**13,276**	**2,383**	**81,315**

(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	**Unrealized gains (losses) on**

	translation of the financial statements of foreign operations	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 thousands)	**160,405**	**160,405**
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	$ 200,716	218,849	51,375	470,940
2023/12/31				
Sales revenue of goods	$ 128,084	79,448	56,977	264,509

2. Contract Balances

	2024/12/31	2023/12/31	2023/1/1
Notes and accounts receivable (including related parties)	$ 30,984	15,971	68,522
Less: Allowance for losses	(37)	(3)	(28)
	$ 30,947	15,968	68,494
Contract liabilities (advance receipts)	$ 3	3	53

(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) Other Income

The details of the Company's other income for the years ended December 31, 2024 and 2023 are as follows:

	2024/12/31	2023/12/31
Financing support income	$ 31,416	35,716
Management service income	1,800	12,448
Others	6,120	5,618
Total	$ 39,336	53,782

(22) 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 Company has a broad customer base, there is no significant concentration of credit risk from transactions with any single customer. To mitigate credit risk, The Company 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 Company's criteria in determining low credit risk, please refer to Note 4(7)). The Company'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:					
Notes and accounts payable (including related parties)	$ 68,687	(68,687)	(68,687)	-	-
Other payables (including related parties)	11,248	(11,248)	(11,248)	-	-
Lease liabilities (including current and non-current)	147	(153)	(106)	(47)	-
Deposits received	5,446	(5,446)	-	-	(5,446)
Total	$ 85,528	(85,534)	(80,041)	(47)	(5,446)
2023/12/31					
Non-derivative financial liabilities:					
Short-term	$ 100,000	(100,159)	(100,159)	-	-

borrowings					
Notes and accounts payable (including related parties)	32,608	(32,608)	(32,608)	-	-
Other payables (including related parties)	19,066	(19,066)	(19,066)	-	-
Lease liabilities (including current and non-current)	47	(47)	(47)	-	-
Deposits received	5,446	(5,446)	-	-	(5,446)
Total	**$ 157,167**	**(157,326)**	**(151,880)**	**-**	**(5,446)**

The 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 Company'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
Financial Liabilities						
Monetary items						
USD/TWD	641	32.785	21,015	431	30.7050	13,234

(2) Sensitivity Analysis

The Company is exposed to foreign exchange rate risk arising from monetary items denominated in foreign currencies, including cash and cash equivalents, accounts receivable, other financial assets, borrowings, accounts payable, and other payables. These items are subject to foreign exchange gains or losses upon translation.

Assuming a 5% appreciation or depreciation of the New Taiwan dollar against the US dollar, with all other variables held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased or decreased by NT$6,083 thousand and NT$2,925 thousand, respectively. The analysis for both years is based on the same methodology.

(3) Foreign Exchange Gains and Losses on Monetary Items

The Company's functional currency is the New Taiwan dollar. The following summarizes the total foreign exchange gains and losses (including realized and unrealized) on monetary items for the years ended December 31, 2024 and 2023:

2024: NT$5,031 thousand gain

2023: NT$7,044 thousand gain

4. Interest Rate Risk Analysis

The details of The Company'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	$ 105,147	30,500

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 Company'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 at Fair Value Through Profit or Loss (FVTPL):					

Derivative financial assets	$ 19,791	-	19,791	-	19,791
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI):					
Domestic unlisted equity investments	23,816	-	-	23,816	23,816
Financial Assets Measured at Amortized Cost:					
Cash and cash equivalents	198,087	-	-	-	-
Notes and accounts receivable, net	20,395	-	-	-	-
Accounts receivable from related parties, net (including related parties)	10,552	-	-	-	-
Other receivables (including related parties)	1,847	-	-	-	-
Deposits paid (classified as other non-current assets)	450	-	-	-	-
	231,331				
	$ 274,938				
Financial Liabilities Measured at Amortized Cost:					
Notes and accounts payable (including related parties)	$ 68,687	-	-	-	-
Other payables (including related parties)	11,248	-	-	-	-
Lease liabilities (including current and non-current)	147	-	-	-	-
Guarantee deposits received	5,446	-	-	-	-
	$ 85,528				

2023/12/31					
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI):					
Domestic unlisted equity investments	$ 23,869	-	-	23,869	23,869
Financial assets measured at fair value through profit or loss—non-current					
Cash and cash equivalents	77,572	-	-	-	-
Notes and accounts receivable, net	14,611	-	-	-	-
Accounts receivable from related parties, net (including related parties)	1,357	-	-	-	-
Other receivables (including related parties)	76,515	-	-	-	-
Deposits paid (classified as other non-current assets)	2,075	-	-	-	-
	172,130				
	$ 195,999				
Financial Liabilities at Fair Value Through Profit or Loss (FVTPL):					
Derivative financial liabilities	$ 12,166	-	12,166	-	12,166
Financial Liabilities Measured at Amortized Cost:					
Short-term borrowings	100,000	-	-	-	-
Notes and accounts payable (including related parties)	32,608	-	-	-	-
Other payables (including related parties)	19,066	-	-	-	-
Lease liabilities (including current	47	-	-	-	-

and non-current)					
Guarantee deposits received	5,446	-	-	-	-
	$ 169,333				

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

The Company'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 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 Company 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.

(4) During 2024 and 2023, The Company 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 Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI) – Unquoted Equity Instruments
Opening balance as of 2024/1/1	$ 23,869
Total gains or losses	
Recognized in Other Comprehensive Income	(53)
Closing balance as of	**$ 23,816**

2024/12/31	
Opening balance as of 2023/1/1	$ 40,523
Total gains or losses	
Recognized in other comprehensive income	(16,654)
Balance at 2023/12/31	**$ 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 other comprehensive income (presented under "Unrealized valuation loss on financial assets at fair value through other comprehensive income")	**$ (53)**	**(16,654)**

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

The Company'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 Company'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**
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 Company 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 other comprehensive income:	Price-to-earnings (P/E) multiple	5%	$ 1,195	(1,189)
Financial assets at fair value through other comprehensive income:	Discount for lack of marketability (DLOM)	5%	$ 302	(296)
2023/12/31				
Financial assets at fair value through other comprehensive income:	Price-to-earnings (P/E) multiple	5%	$ 1,195	(1,195)
Financial assets at fair value through other comprehensive income:	Discount for lack of marketability (DLOM)	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.

(23) Financial Risk Management

1.Overview

The Company 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 Company's exposure to the aforementioned risks, as well as The

Company’s objectives, policies, and procedures for measuring and managing these risks. For quantitative disclosures, please refer to the related notes in the financial statements.

2.Risk Management Framework

The purpose of The Company'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 Company seeks to mitigate market uncertainties and reduce the potential adverse impact on financial performance.

All significant financial activities conducted by The Company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk primarily arises from The Company’s receivables from customers and investment activities.

(1) Accounts Receivable and Other Receivables

The Company’s operating activities primarily involve transactions with well-known global apparel brands that generally possess good credit standings. Nonetheless, The Company 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 Company considers factors such as their financial condition, internal credit ratings, payment history, and prevailing economic conditions when reviewing credit terms and limits.

The Company 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 Company's finance department. Since The Company’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 Company 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 Company. 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 Company’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 Company 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 Company is exposed to cash flow risk arising from borrowings with variable interest rates, while borrowings with fixed rates expose The Company to fair value interest rate risk.

(24) Capital Management

The Company'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 Company 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 Company aims to optimize the balance of debt and equity to maximize shareholder returns.

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

	2024/12/31	**2023/12/31**
Total liabilities	$ 244,800	258,038
Total equity	1,377,488	1,199,867
Debt-to-equity ratio	18%	22%

(25) Non-cash Investing and Financing Activities

For the years ended 2024/12/31 and 2023/12/31, The Company'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	$ 100,000	(100,000)	-	-	-
Guarantee deposits received	5,446	-	-	-	5,446
Lease liabilities	47	(100)	200	-	147
Total liabilities from financing activities	$ 105,493	(100,100)	200	-	5,593

			Non-cash changes		
	2023/01/01	Cash Flows	Add	Exchange Rate	2023/12/31

				Changes	
Short-term borrowings	$ 100,000	-	-	-	100,000
Long-term borrowings (including portion due within one year)	80,400	(80,400)	-	-	-
Guarantee deposits received	4,577	869	-	-	5,446
Lease liabilities	3,137	(3,090)	-	-	47
Total liabilities from financing activities	**$ 188,114**	**(82,621)**	**-**	**-**	**105,493**

7 Related party transactions

(1) Name and relationship of related parties

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

Related Party Name	Relationship with the Company
ARTITEX TECHNICAL CORP. (Artitex)	Chairman of the related party is also the Chairman of the Company
CHANG-HO TEXTILE CO., LTD. (Chang-Ho Textile)	Chairman of the related party is also the Chairman of the Company
NOA GROUP CORP.(NOA)	Chairman of the related party is also the Chairman of the Company
KIRINTEX ENTERPRISE COMPANY Ltd.	Responsible person is the spouse of the Company's Chairman
FUCHANG CONSTRUCTION CO., LTD. (Fuchang)	Subsidiary of the Company
CHANG HO FIBRE (SHAOXING) CO., LTD.	Subsidiary of the Company
Holy Finance Group Limited (HFGL)	Subsidiary of the Company

(2) Significant transactions with related parties

1.Operating Revenue

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

	2024/12/31	**2023/12/31**
Other Related Party – NOA GROUP CORP. (NOA)	$ 26,778	-
Subsidiary – Chang-Ho Fibre (Shaoxing) Co., Ltd.	5,798	21,332

Other Related Parties	1,512	7,332
	$ 34,088	**28,664**

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 company from related parties are as follows:

	2024/12/31	**2023/12/31**
Subsidiary – Chang-Ho Fibre (Shaoxing) Co., Ltd.	$ 10,060	-
Other Related Party – CHANG-HO TEXTILE CO., LTD.	91,533	81,858
	$ 101,593	**81,858**

The 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. Leases – Leased-out Assets

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

	2024/12/31	**2023/12/31**
Subsidiary	$ 24	24
Other Related Party	1,368	1,368
	$ 1,392	**1,392**

4.Provision of Services to Related Parties

The revenue generated from providing credit support for loan facility applications, management consulting, and information services to related parties is as follows:

	2024/12/31	**2023/12/31**
Subsidiary – Fu-Chang Construction Co., Ltd.	$ 33,216	40,516
Subsidiary – Chang-Ho Shaoxing Co., Ltd.	-	7,648
	$ 33,216	**48,164**

5.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	Subsidiary – Chang-Ho Shaoxing Co., Ltd.	$ 231	-
	Other related party –	10,237	1,357

	NOA GROUP CORP.		
	Other related party	84	-
Other Receivables – Related Parties	Subsidiary – Fu-Chang Construction Co., Ltd.	33,216	40,516
	Subsidiary – Chang-Ho Shaoxing Co., Ltd.	-	7,648
		43,768	49,521
Long-Term Equity Investment Credit Balance		(33,216)	(35,338)
		$ 10,552	**14,183**

6. Payables to Related Parties

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

Presentation Items	**Related Party Category**	**2024/12/31**	**2023/12/31**
Accounts Payable	Subsidiary – Chang-Ho Shaoxing Co., Ltd.	$ 6,291	-
	Other Related Party – CHANG-HO TEXTILE CO., LTD.	15,301	4,198
Notes Payable	Other Related Party – CHANG-HO TEXTILE CO., LTD.	19,936	8,696
Other Payables – Related Parties	Subsidiary – Chang-Ho Shaoxing Co., Ltd.	-	5,812
		$ 41,528	**18,706**

7. Loans to Related Parties

The actual drawdown of funds lent by the Company to related parties is as follows:

	2024/12/31	**2023/12/31**
Subsidiary – Fu-Chang Construction Co., Ltd.	**$ -**	**50,000**
Accrued Interest		
Subsidiary – Fu-Chang Construction Co., Ltd.	**$ 130**	**480**

The annual interest rates on loans provided by the Company to related parties range from 0% to 3.8%. These loans are unsecured, and after evaluation, no impairment loss was recognized.

8. Endorsements and Guarantees

As of December 31, 2024 and 2023, the Company provided endorsements and guarantees required for bank financing to its subsidiaries. The outstanding guarantee balances amounted to NT$100,000 thousand

and NT$307,050 thousand, respectively, with amounts utilized of NT$100,000 thousand and NT$0 thousand, respectively.

(3) Transactions with Key Management Personnel

Compensation of key management personnel includes:

	2024/12/31	2023/12/31
Short-term employee benefits	$ 5,358	4,715
Post-employment benefits	144	141
	$ 5,502	4,856

8. Assets Pledged as Collateral

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

Asset Description	Subject of pledge	2024/12/31	2023/12/31
Property, plant and equipment, net	Short- and long-term borrowings and credit facilities	$ 309,306	310,984
Investment property, net	Short- and long-term borrowings and credit facilities	208,061	209,991
		$ 517,367	520,975

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The unrecognized contractual commitments of the entities are as follows:

(1) Total contract amount and unrecognized commitments for development projects entered into by the 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	4,719	25,225	29,944	4,500	23,813	28,313
Labor and	523	2,374	2,897	504	2,527	3,031

health insurance expenses						
Pension expenses	118	628	746	99	1,301	1,400
Remuneration of Directors	-	897	897	-	804	804
Other employee benefits expenses	172	1,920	2,092	115	1,401	1,516
Depreciation expenses	7,000	1,748	8,748	3,976	4,560	8,536
Amortization expenses	-	-	-	-	-	-

The following is additional information on the number of employees and employee benefit expenses of the Company for the years ended, 2024 and 2023:

	2024/12/31	2023/12/31
Number of employees	**50**	**53**
Number of directors without concurrent employment	**5**	**4**
Average employee benefit expenses	**$ 793**	**699**
Average employee salary expenses	**$ 665**	**578**
Adjustment in average employee salary expenses	**15.05%**	**(2.53)%**
Remuneration of supervisors	**$ -**	**-**

The Company's remuneration policy (including directors, managerial personnel, and employees) is as follows:

Directors' remuneration is allocated in accordance with the Articles of Incorporation, determined by the Remuneration Committee, resolved by the Board of Directors, and reported to the shareholders' meeting prior to distribution. Remuneration for managerial personnel and employees is based on their job responsibilities, education background, and expertise. Adjustments to salaries or bonuses are made depending on the Company's operational performance and employee performance. Managerial remuneration is resolved by the Remuneration Committee and submitted to the Board of Directors for approval.

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 Shaoxing	Subsidiary	- %	1,101,990	Y	N	Y

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	667,200	667,200	19,900	83.26%	367,211

			Investment					
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 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 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 Company and its investee companies in Mainland China during the year ended (which have been eliminated in the preparation of the 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 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 Company as follows:

Taiwan - The company.

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

Other departments-HFGL and FCC.

Information on the 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	**$ 279**	**-**	**-**	**-**	**279**

method					
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 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 Company'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 revenue as reported on the statement of comprehensive income is as follows:

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

Chang-Ho Fibre Corporation

Schedule of Cash and Cash Equivalents

As of 2024/12/31

Unit: NT$ thousands

Item	Description	Amount
Petty Cash and Cash on Hand		$ 228
Checks and Demand Deposits	Check Deposits	586
	Demand Deposits	85,495
	Foreign Currency Deposits (USD 599K, JPY 5K, HKD 6K)	19,652
	Subtotal – Checks and Demand Deposits	105,733
Time Deposits	USD Time Deposit (USD 2,810K)	92,126
	Total	**$ 198,087**

Note: Foreign exchange rates as of the balance sheet date:

USD: 32.785 | JPY: 0.210 | HKD: 4.222

Chang-Ho Fibre Corporation

Schedule of Accounts Receivable

As of 2024/12/31

Unit: NT$ thousands

Customer Name	Description	Amount
I-Mar International	Revenue from third parties	$ 6,602
Salim & Brothers Ltd	″	6,445
INVISTA TEXTILES(U.K.) Limited	″	2,545
QUANG VIET ENTERPRISE CO., LTD.	″	1,166
Others (Note)	″	3,666
Subtotal		20,424
Less: Allowance for doubtful accounts		(29)
Total		**$ 20,395**

Note: The balances of individual items do not exceed 5% of the total account balance and are therefore not presented separately.

Chang-Ho Fibre Corporation
Schedule of Inventories
As of 2024/12/31
Unit: NT$ thousands

Item	Carrying Amount	Net Realizable Value
Raw materials	$ 121,932	128,645
Work in process	2,081	2,081
Finished goods	23,142	28,034
Total	**$ 147,155**	**158,760**

Chang-Ho Fibre Corporation
Schedule of Changes in Investments Accounted for Using the Equity Method
From 2024/01/01 to 2024/12/31

	Beginning Balance		**Additions During the Period**		**Deductions During the Period**	
Name	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**
HFGL	19,900	$ 264,401	-	15,336	-	-
Sampson Technology Corp. (勝和先進)	2,000	13,871	-	-	-	-
Fu-Chang Construction Co., Ltd. (富昶建設)	6,000	(35,338)	-	-	-	-
		242,934		15,336		-
Offset against:						
Other Receivables – Related Parties		35,338		-		35,338
Investments Accounted for Using Equity Method (Credit		-		-		-

Balance)						
		$ 278,272		15,336		35,338
			Ending Balance			
Name	**Share of Profit or Loss Recognized under the Equity Method**	**Other Adjustments (Note 2)**	**Number of Shares**	**Shareholding Percentage**	**Amount**	**Market Price or Net Asset Value**
HFGL	87,474	-	19,900	83.26%	367,211	374,190
Sampson Technology Corp. (勝和先進)	34	-	2,000	40.00%	13,905	13,905
Fu-Chang Construction Co., Ltd. (富昶建設)	(60,611)	-	6,000	100.00%	(95,949)	(95,949)
	26,897	-			285,167	
Offset against:						
Other Receivables – Related Parties	-	33,216			33,216	
Investments Accounted for Using Equity Method (Credit Balance)	-	62,733			62,733	
	26,897	95,949			381,116	

Note 1: Additions for the period include unrealized gross profit on intercompany sales, prior year gains on disposal of fixed assets, and foreign currency translation adjustments totaling NT$15,336 thousand.

Note 2: Other adjustment reflects an increase of NT$95,949 thousand in credit balances of long-term investments.

Note 3: No investments were pledged or used as collateral.

CHANG-HO FIBRE CORPORATION

Statement of Changes in Property, Plant and Equipment

Please refer to Note 6(8).

Schedule of Investment Property

Please refer to Note 6(10).

CHANG-HO FIBRE CORPORATION

Schedule of Notes and Accounts Payable

As of 2024/12/31

Unit: NT$ Thousands

Item	Description	Amount
Notes Payable:		
Yi Yi Industrial Co., Ltd.	Non-related party – Operating expenses	$ 2,053
Others (Note)	〃	5,659
Subtotal		7,712
Accounts Payable:		
INVISTA (China) Investment Co., Ltd.	Non-related party – Operating expenses	14,001
Jhan Song Co., Ltd.	〃	1,888
Jih Yi Textile Enterprise Co., Ltd.	〃	1,224
Others (Note)	〃	2,334
Subtotal		19,447
Total		**$ 27,159**

Note: The balance of each individual item does not exceed 5% of the account total and is therefore not disclosed separately.

CHANG-HO FIBRE CORPORATION

Schedule of Operating Revenue

For the Year Ended 2024/12/31

Unit: NT$ Thousands

Item	Quantity (Thousand Yards/Kilograms)	Amount
Sales Revenue:		
Fabrics	2,017 thousand yards	$ 200,845
Air-jet Yarns	1,031 thousand kilograms	220,455
Others		52,030

Less: Sales Returns		1,540
Sales Allowances		850
Net Operating Revenue		**$ 470,940**

CHANG-HO FIBRE CORPORATION

Schedule of Operating Costs

For the Year Ended 2024/12/31

Unit: NT$ Thousands

Item	Amount
Direct Materials	
• Beginning Raw Materials Inventory	$ 215,153
• Add: Raw Materials Purchased During the Year	232,504
• Less: Ending Raw Materials Inventory	(173,612)
• Raw Materials Sold	(241,367)
• Materials Issued & Others	(273)
Raw Materials Consumed	32,405
Direct Labor	5,823
Manufacturing Overhead	48,736
Total Manufacturing Costs	86,964
• Add: Beginning Work-in-Process Inventory	7,832
• Less: Ending Work-in-Process Inventory	(2,081)
Cost of Goods Manufactured	92,715
• Add: Beginning Finished Goods Inventory	215,040
• Add: Purchased Finished Goods	107,029
• Less: Ending Finished Goods Inventory	(54,225)
• Finished Goods Withdrawn for Other Use	(262)
Cost of Goods Sold – Finished Goods	360,297
Cost of Raw Materials Sold	241,367
Gain on Reversal of Inventory Write-down	(144,320)
Scrap Income	(152)
Total Operating Costs	**$ 457,192**

CHANG-HO FIBRE CORPORATION

Schedule of Operating Expenses

For the Year Ended 2024/12/31

Unit: NT$ Thousands

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses
Salaries and Wages	$ 7,904	19,429	-
Rental Expenses	216	2,820	-
Transportation Expenses	3,761	12	-
Travel Expenses	981	692	-
Professional Service Fees	78	4,069	-
Sample Expenses	-	-	1,346
Advertising Expenses	-	5,744	-
Others (Note)	4,358	11,070	-
Total	**$ 17,298**	**43,836**	**1,346**

Note: Individual items under the "Others" category did not exceed 5% of the total for this line item and are therefore not disclosed separately.