# Evertex Fabrinology Limited and Subsidiaries

# Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023and Independent Auditors' Report

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# Declaration of Consolidated Financial Statements of Affiliates

The companies required to be included in the Company’s consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in IFRS 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, no separate set of consolidated financial statements of affiliates would be otherwise prepared.

Hereby certify

Name of the Company: Evertex Fabrinology Limited
Chairman: CHUAN-FA YEH

March 12, 2025

**INDEPENDENT AUDITORS' REPORT**

To The Board of Directors and Shareholders Evertex Fabrinology Limited,

## Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

## Basis of Audit Opinion

We conducted our audits in accordance with the Regulations

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is described as follows:

Authenticity of customers' sales income under specific credit conditions

As the Group is public company, the management is expected to be under pressure to accomplish the projected financial objective, of which operating revenue is one of the important indicators for judging profitability and operating performance, and revenue recognition is more likely to have higher risks. The Group's revenue from sales to specific customers was NT$304,359 thousand in 2024, accounting for 39% of the Group's total revenue, and has a material effect on the financial statements. Therefore, we determined that the main risk is the validity of the sales revenue from specific customers and therefore, included it as a key audit matter.

For the accounting policy on revenue recognition, please refer to Note 4 of the parent company only financial statements. The key audit procedures that we have performed in respect of the key audit matters described above are as follows:

We identify and evaluate the effectiveness of the internal control procedures over sales transactions with respect to the sales revenue from specific customers by understanding the internal control procedures related to sales transactions and by designing internal control procedures that address those risks. We selected samples from the sales records of specific customers to review external shipping documents or customer receipt documents and to confirm the collection of payments, verify that the transaction actually occurred and whether there is no major abnormality in the payment situation.

**Other Matter**

We have also audited the parent company standalone financial statements of Evertex Fabrinology Limited as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The governance unit of Evertex Fabrinology Limited (including the audit committee) is responsible for supervising the financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

When checking in accordance with audit standards, the accountant shall use professional judgment and maintain professional doubts. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the entity's financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the

basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.

2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of Evertex Fabrinology Limited.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants of the Republic of China, and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors’ report are Meng-Gui Yu and Keng-Shi Chang.

Deloitte & Touche

Taipei, Taiwan
Republic of China
March 12, 2025

<u>*Notice to Readers*</u>

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

*For the convenience of readers, the independent auditors' report and the accompanying Consolidated Financial Statements have been translated into English from the original Chinese version prepared and used in the Republic of China, not certified by accountant. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and Consolidated Financial Statements shall prevail.*

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

| | | December 31,2024 | | December 31,2023 | |
|---|---|---|---|---|---|
| Code | Assets | Amount | % | Amount | % |
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Note 4 and 6) | $ 291,257 | 24 | $ 202,034 | 18 |
| 1110 | Current financial assets at fair value through profit or loss (Note 4 and7) | 19,023 | 3 | 57,165 | 5 |
| 1120 | Current financial assets at fair value through other comprehensive income(Note 4、8) | - | - | 10,286 | 1 |
| 1136 | Current financial assets at amortization cost（Note 4、9、30） | 96,500 | 8 | 176,329 | 15 |
| 1150 | Notes receivable (Note 4, 10 and 23) | 2,476 | - | 2,349 | - |
| 1170 | Accounts receivable (Note 4, 10 and 23) | 64,932 | 5 | 52,080 | 5 |
| 1200 | Other receivables(Note 4 and 10) | 2,014 | - | 1,220 | - |
| 130X | Current inventories(Note 4 and 11) | 162,748 | 14 | 140,608 | 12 |
| 1479 | Other current assets(Note 12 and 29) | 23,497 | 2 | 13,503 | 1 |
| 11XX | Total current assets | 662,447 | 55 | 655,574 | 57 |
| | Non-current Assets | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 4、8) | 6,578 | 1 | 4,592 | 1 |
| 1535 | Current financial assets at amortization（Note 4 and 9） | 110,540 | 9 | 45,226 | 4 |
| 1600 | Property, plant and equipment (Note 4、14 and 30) | 379,536 | 31 | 406,012 | 36 |
| 1755 | Right-of-use Assets (Note 4 and 15) | 6,643 | 1 | 10,390 | 1 |
| 1780 | Intangible assets(Note 4and 16) | 96 | - | 109 | - |
| 1840 | Deferred tax assets (Note 4 and 24) | 2,017 | - | 2,573 | - |
| 1915 | Prepaid equipment | 5,369 | - | 4,695 | 1 |
| 1920 | Guarantee deposits paid(Note 4 ) | 2,662 | - | 2,661 | - |
| 1975 | Net defined benefit asset（Note 4 and 21） | 3,890 | - | 3,368 | - |
| 1990 | Other non-current Assets（Note 12） | 32,631 | 3 | 10,225 | - |
| 15XX | Total non-current Assets | 549,962 | 45 | 489,851 | 43 |
| 1XXX | Total assets | $ 1,212,409 | 100 | $ 1,145,425 | 100 |
| Code | Liabilities and Equity | | | | |
| | Current Liabilities | | | | |
| 2100 | Short-term borrowings (Notes 17) | $ 30,000 | 3 | $ 35,000 | 3 |
| 2130 | Current contract liabilities (Note 4 and 23) | 8,833 | 1 | 8,497 | 1 |
| 2150 | Notes payable (Note 18 ) | 15,120 | 1 | 8,133 | 1 |
| 2160 | Note payables to related parties(Note 18 and 29) | 2,439 | - | 1,212 | - |
| 2170 | Account payable(Note 18) | 19,288 | 2 | 19,616 | 2 |
| 2180 | Account payables to related parties(Note 18 and 29) | 1,312 | - | 593 | - |
| 2219 | Other payables(Note 19) | 68,948 | 6 | 63,122 | 5 |
| 2230 | Income tax payable(Note 4 and 24) | 16,946 | 1 | 7,999 | 1 |
| 2280 | Current lease liabilities (Note 4、15 and 29) | 3,463 | - | 3,992 | - |
| 2399 | Other current liabilities(Note 4 and 20) | 926 | - | 777 | - |
| 21XX | Total current liabilities | 167,275 | 14 | 148,941 | 13 |
| | Non-current Liabilities | | | | |
| 2570 | Deferred tax liabilities (Note 4 and 24) | 6,906 | 1 | 4,705 | - |
| 2580 | Non-current lease liabilities (Note 4 、15 and 29) | 3,282 | - | 6,459 | -1 |
| 25XX | Total Non-current Liabilities | 10,188 | 1 | 11,164 | 1 |
| 2XXX | Total Liabilities | 177,463 | 15 | 160,105 | 14 |
| | Equity attributable to owners of the company | | | | |
| 3110 | Capital stock | 857,670 | 71 | 857,670 | 75 |
| 3200 | Capital surplus | 7,317 | - | 7,317 | - |
| | Retained earnings | | | | |
| 3310 | Appropriated as legal capital reserve | 64,147 | 5 | 59,225 | 5 |
| 3320 | Appropriated as special capital reserve | 1,650 | - | 3,364 | 1 |
| 3350 | Unappropriated earnings | 102,534 | 9 | 59,394 | 5 |
| 3300 | Total Retained earnings | 168,331 | 14 | 121,983 | 11 |
| 3400 | Other equity | 1,628 | - | ( 1,650 | - |
| 3XXX | Total equity | 1,034,946 | 85 | 985,320 | 86 |
| | Total Liabilities and equity | $ 1,212,409 | 100 | $ 1,145,425 | 100 |

( The attached notes form part of the entity's financial statement)

Chairman: CHUAN-FA YEH President: ANTHONY POLIANG YEH In-charge Accountant: Chao-Nan, Hs

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| Code | | Amount | % | Amount | % |
| | Net Revenue（Note 4 and 23） | | | | |
| 4100 | Sales Revenue | $ 651,461 | 83 | $ 511,795 | 78 |
| 4600 | Service Revenue | 136,578 | 17 | 143,426 | 22 |
| 4000 | Total Net Revenue | 788,039 | 100 | 655,221 | 100 |
| | Cost（Note 11、23 and 29） | | | | |
| 5110 | Cost of sales | 381,808 | 49 | 311,661 | 47 |
| 5600 | Cost of services | 206,848 | 26 | 213,742 | 33 |
| 5000 | Total Cost | 588,656 | 75 | 525,403 | 80 |
| 5900 | Gross profit from operations | 199,383 | 25 | 129,818 | 20 |
| | Operating Expenses (Note 23) | | | | |
| 6100 | Selling Expenses | 79,472 | 10 | 67,191 | 10 |
| 6200 | Administrative expenses | 32,122 | 4 | 29,424 | 5 |
| 6450 | Expected credit Gain (Note 10) | 421 | - | ( 147) | - |
| 6000 | Total Operating Expenses | 112,015 | 14 | 96,468 | 15 |
| 6500 | Gain on disposal of property, plan and equipment（Note23） | 519 | - | 1,094 | - |
| 6900 | Operating income | 87,887 | 11 | 34,444 | 5 |
| | Non-operating income and expenses(Note 4、23 and 29) | | | | |
| 7100 | Interest income | 13,254 | | 6,374 | 1 |
| 7190 | Other income | 3,282 | | 4,749 | 1 |
| 7020 | Other gains and losses | 17,225 | | 12,511 | 2 |
| 7050 | Finance cost | ( 948 ) | | ( 900 ) | - |
| 7000 | Non-operating income and expenses | 32,813 | | 22,734 | 4 |

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| Code | | 2023 Amount | 2023 % | 2022 Amount | 2022 % |
|---|---|---|---|---|---|
| 7900 | Profit from continuing operations before tax Income before tax | 120,700 | 16 | 57,178 | 9 |
| 7950 | Tax expense (Note 4 and 24) | ( 23,391 ) | ( 3 ) | ( 7,832 ) | ( 1 ) |
| 8200 | Profit from continuing operations | 97,309 | 13 | 49,346 | 8 |
| | Other comperhensive income | | | | |
| | Components of other comprehensive income that will not be classified to profit or loss | | | | |
| 8311 | Losses on remeasurements of defined benefit plans (Note 21) | 240 | - | ( 161) | - |
| 8316 | Unrealized Gains from investments in equity instruments measured at fair value through other comprehensive income(Note 22) | 1,870 | - | 1,714 | 1 |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(Note 4 and 24) | ( 48) | - | 32 | - |
| 8300 | Components of other comprehensive income that will not be reclassified to profit or loss | 2,062 | - | 1,585 | - |
| 8500 | Total comprehensive income | $ 99,371 | 13 | $ 50,931 | 8 |
| | Net Profit (Loss) Attributable to: | | | | |
| | Earnings per share(Note 25) | | | | |
| 9710 | Basic | $ 1.13 | | $ 0.58 | |
| 9810 | Diluted | $ 1.13 | | $ 0.57 | |

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

Chairman:Chung-Fa Yeh

President: Anthony Poliang Yeh

In-chargeAccountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

| | | | | Retained earnings | | | Other equity | |
|---|---|---|---|---|---|---|---|---|
| Code | | Ordinary share | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings (accumulated deficit) | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total equity |
| A1 | Balance on January 1, 2023 | $ 857,670 | $ 7,317 | $ 55,712 | $ 3,485 | $ 52,164 | ($ 3,364) | $ 972,984 |
| | Appropriation of the 2022 earnings（Note 22） | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 3,513 | - | ( 3,513) | - | - |
| B17 | Reversal of special reserve | - | - | - | ( 121) | 121 | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | ( 38,595) | - | ( 38,595) |
| D1 | Net income of 2023 | - | - | - | - | 49,346 | - | 49,346 |
| D3 | Other Comperhensive income after tax of 2023 | - | - | - | - | ( 129) | 1,714 | 1,585 |
| D5 | Other Comperhensive income after tax of 2023 | - | - | - | - | 49,217 | 1,714 | 50,931 |
| T1 | Others | - | - | - | - | - | - | - |
| Z1 | Balance on December 31, 2023 | 857,670 | 7,317 | 59,225 | 3,364 | 59,394 | ( 1,650) | 985,320 |
| | Appropriation of the 2023 earnings（Note 22） | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 4,992 | - | ( 4,922) | - | - |
| B17 | Reversal of special reserve | - | - | - | ( 1,714) | 1,714 | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | ( 49,745) | - | ( 49,745) |
| D1 | Net Income of 2024 | - | - | - | - | 97,309 | - | 97,309 |
| D3 | Other Comperhensive income after Tax of 2024 | - | - | - | - | 192 | 1,870 | 2,062 |
| D5 | Other Comperhensive income of 2024 | - | - | - | - | 97,501 | 1,870 | 99,371 |
| T1 | Others(Note 22) | - | - | - | - | ( 1,408) | 1,408 | - |
| Z1 | Balance on December 31, 2024 | $ 857,670 | $ 7,317 | $ 64,147 | $ 1,650 | $ 102,534 | $ 1,628 | $ 1,034,946 |

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

| Code | | 2024 | 2023 |
|---|---|---|---|
| | Cash flows from (used in) operating activities, indirect method | | |
| A10000 | Net Profit before Tax | $ 120,700 | $ 57,178 |
| A20010 | Income Expense Item | | |
| A20100 | Depreciation Expense | 50,465 | 50,258 |
| A20200 | Amortization expense | 77 | 95 |
| A20300 | Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense | 421 | ( 147 ) |
| A20400 | Net loss (gain) on financial assets or liabilities at fair value through profit or loss | ( 331 ) | ( 13,727 ) |
| A20900 | Finance costs | 948 | 900 |
| A21200 | Interest income | ( 13,254 ) | ( 6,374 ) |
| A21300 | Dividend income | ( 1,489 ) | ( 3,027 ) |
| A22500 | Loss (gain) on disposal of property, plan and equipment | ( 519 ) | ( 1,094 ) |
| A23700 | Impairment losses (gain) on non-financial assets | 641 | ( 2,028) |
| A24100 | Unrealized foreign exchange loss (gain) | ( 8,980 ) | 4,350 |
| A29900 | Lease modification benefit | ( 3 ) | - |
| A30000 | Changes in operating assets and liabilities | | |
| A31130 | Decrease (increase) in note receivable | ( 127 ) | 13,057 |
| A31150 | Decrease (increase) in accounts receivable | ( 13,019 ) | 1,005 |
| A31180 | Decrease (increase) in other receivable | ( 5 ) | ( 3 ) |
| A31200 | Decrease (increase) in inventories | ( 22,781 ) | 55,418 |
| A31240 | Decrease (increase) in other current assets | ( 9,994 ) | 14,928 |
| A31250 | Decrease (increase) in Net defined benefit asset | ( 31,250 ) | ( 235 ) |
| A32125 | Increase (decrease) in contract liabilities | 336 | ( 176 ) |
| A32130 | Increase (decrease) in notes payable | 6,987 | ( 6,441 ) |
| A32140 | Increase (decrease) in notes payable from related parties | 1,227 | 1,212 |
| A32150 | Increase (decrease) in accounts payable | ( 308 ) | ( 3,329 ) |
| A32160 | Increase (decrease) in accounts payable from related parties | 719 | 593 |
| A32180 | Increase (decrease) in other payable | 11,724 | ( 1,396 ) |
| A32230 | Increase (decrease) in other current liabilities | 149 | ( 15 ) |
| A32240 | Net defined benefit liabilities | - | - |
| A33000 | Total changes in operating assets and liabilities | 123,302 | 161,002 |
| A33100 | Interest received | 768 | 526 |
| A33300 | Interest paid | ( 988 ) | ( 880 ) |
| A33500 | Income taxes refund (paid) | ( 11,735 ) | ( 15,904 ) |

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| Code | | 2024 | 2023 |
|---|---|---|---|
| AAAA | Net cash flows from (used in) operating activities | 111,347 | 144,744 |
| | Cash flows from (used in) investing activities | | |
| B00020 | Disposal of financial assets at fair value through other comprehensive income | 10,170 | - |
| B00040 | Acquisition of Financial assets measured at amortised cost | ( 60,365 ) | ( 94,325 ) |
| B00050 | Proceeds from disposal of financial assets at amortized cost | 80,528 | - |
| B00100 | Acquisition of financial assets at fair value through profit or loss | - | - |
| B00200 | Disposal of financial assets at fair value through profit or loss | 38,473 | 36,975 |
| B02700 | Acquisition of property, plant and equipment | ( 24,202 ) | ( 30,632 ) |
| B02800 | Disposal of property, plant and equipment | 519 | 1,094 |
| B03700 | Increase in refundable deposits | ( 1 ) | ( 430 ) |
| B03800 | Decrease in Guarantee deposits paid | - | - |
| B04600 | Acquisition of intangible assets | ( 64 ) | - |
| B06700 | Increase in Other non-current Assets | ( 22,406 ) | ( 7,053 ) |
| B07100 | Acquisition of prepaid equipment | ( 2,125 ) | ( 3,492 ) |
| B07500 | Interest received | 11,634 | 4,641 |
| B07600 | Dividends received | 1,489 | 3,027 |
| BBBB | Net cash flows from (used in) investing activities | 33,650 | ( 90,195) |
| | Cash flows from (used in) financing activities | | |
| C00200 | Decrease of short loan | ( 5,000 ) | - |
| C04020 | Repayment of the principal portion of lease liabilities | ( 4,149 ) | ( 3,629 ) |
| C04500 | Cash dividends paid | ( 49,745 ) | ( 38,595 ) |
| C09900 | Exercising the right of imputation | - | - |
| CCCC | Net cash flows from (used in) financing activities | ( 58,894 ) | ( 42,224 ) |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | 3,120 | ( 3,910 ) |
| EEEE | Net increase (decrease) in cash and cash equivalents | 89,223 | 8,415 |
| E00100 | Cash and cash equivalents at beginning of period | 202,034 | 193,619 |
| E00200 | Cash and cash equivalents at end of period | $ 291,257 | $ 202,034 |

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited and Subsidiaries
Notes to Consolidated Financial Report
January 1 to December 31, 2024 and 2023
(Unit: NT$ Thousands, unless specified otherwise)

## I. General

EVERTEX FABRINOLOGY LTD. (hereinafter referred to as "the Group") was established in December 1986 under the original name of "Evertex Dyeing & Finishing Ltd." and was renamed to "EVERTEX FABRINOLOGY LTD." by the resolution of the shareholders' meeting held on June 29, 2018. The Group is engaged in the business of dyeing and finishing all kinds of textile products. In April 1996, the Group introduced the business of purchasing raw fabrics for dyeing and finishing and then selling them in order to stabilize the supply of dyeing and finishing materials.

The Group 's shares have been listed and traded on the Taiwan Stock Exchange since May 21, 1999.

The consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Group.

## II. Date and Procedure for the Approval of Financial Reports

The consolidated financial report was approved by the board of directors on March 12, 2025.

## III. Application of Newly Issued and Revised Standards and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

The application of the amended IFRSs endorsed and issued Into effect by the FSC did not result in significant changes on the

(II) The IFRSs endorsed by the FSC for application starting from 2025

| New/Revised/Amended Standards and Interpretations | Effective Date Announced by IASB |
|---|---|
| Amendment to IAS 21 “Lack of Convertibility” | January 1, 2025 (Note) |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" Amendments to the application guidance on the classification of financial assets | January 1, 2026 (Note2) |

Note1：Applicable to annual reporting periods starting after January 1, 2025. When this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the retained earnings or exchange differences of foreign operating institutions under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.

Note2: It will be applicable to annual reporting periods beginning after January 1, 2026, and companies may choose to apply it earlier than January 1, 2025. When the amendment is first applied, it should be applied retrospectively without restatement of comparative periods, and the impact of the initial application should be recognized on the date of initial application. However, if an enterprise is able to restate without the benefit of hindsight, it may choose to restate the comparative period.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

(III) IFRSs in issue but not yet endorsed and issued into effect by the FSC

| New/Revised/Amended Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|---|---|
| "Annual Improvement of IFRS Accounting Standards - Volume 11" | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 (Amendments to the Classification and Measurement of Financial Instruments) Amendments to the application | January 1, 2026 |

| New/Revised/Amended Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|---|---|
| guidance on the declassification of financial liabilities | |
| Amendments to IFRS 9 and IFRS 7 "Contracts Involving Energy-Dependent Electricity" | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 “Sales or Contributions of Assets between an Investor and its Associate or Joint Venture” | Undecided |
| IFRS 17 Insurance Contracts | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information" | January 1, 2023 |
| IFRS 18 “Presentation and Disclosure in Financial Statements” | January 1, 2027 |
| IFRS 19 "Subsidiaries without public accountability: Disclosures" | January 1, 2027 |

Note. Unless stated otherwise, the above new/revised/amended IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentations and Disclosures in Financial Statements” 」

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”. Major changes to the standard include:

- The income statement should classify income and expense items into operating, investing, financing, income tax and discontinued operations.
- The profit and loss statement should present operating profit and loss, profit and loss before financing and tax, and the subtotals and total of profit and loss.
- Guidance is provided to strengthen aggregation and segmentation requirements: a consolidating company is required to identify assets, liabilities, equity, income, losses and cash flows arising from individual transactions or other events and to classify and aggregate them on the basis of common characteristics so that each line item presented in the principal financial statements has at least one similar characteristic. Items with non-similar characteristics should be separated in the primary financial statements and notes. The

Merging Company will only label such items as "other" when it is unable to find a more informative label.

- Increase disclosure of management-defined performance measures: When the combined company conducts public communications outside the financial statements and communicates management's views on a certain aspect of the combined company's overall financial performance to users of the financial statements, it should disclose relevant information on management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with the subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of the related reconciling items.

In addition to the above impacts, as of the date of approval and issuance of these consolidated financial statements, the Merger Company is still evaluating the other impacts of the amendments to the above standards and interpretations on its financial position and financial performance, and the relevant impacts will be disclosed when the evaluation is completed.

## IV. Summary Statement of Major Accounting Policies

### (I) Compliance Statement

This consolidate financial report is prepared in accordance with the financial report preparation standards of securities issuers.

### (II) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities based on the present value of determined benefit obligations less the fair value of plan assets, this individual financial report is prepared on a historical cost basis.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of the relevant input values:

1. Level 1 input value: refers to the quoted price in the active market for the same assets or liabilities available on the measurement date (unadjusted).

2. Level 2 input value: refers to the observable input value of assets or liabilities directly (i.e. price) or indirectly (i.e. from price derivation) in addition to the quotation at level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(III) Standards for distinguishing between current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for transaction purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for the exchange or discharge of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Assets held primarily for transaction purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for the exchange or discharge of liabilities more than 12 months after the balance sheet date).

Those that are not the above-mentioned current assets or liabilities shall be classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries, including structured entities).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

The financial statements of the subsidiaries have been appropriately adjusted to bring its accounting policies in line with those of the merged group.

For the details, shareholding ratio and business items of subsidiaries, please refer to Table 4 of Note 13.

(V) Foreign Currency

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non monetary items meas ured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non monetary items are included in profit or loss fo r the year except for exchange differences arising on the retranslation of non monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly i n other comprehensive income.

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.

(VI) Inventory

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value.Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

(VII) Immovable Property, Plant and Equipment

Immovable property, plant and equipment are recognized as measured by cost, and subsequently measured by the amount of cost less accumulated depreciation and accumulated impairment loss.

Except for self-owned land, depreciation is provided on a straight-line basis, that is, the balance after the cost of the asset is equally apportioned less salvage value within the expected useful life of the asset, the estimated useful life, salvage value and depreciation methods are reviewed at least on the end date of each year. The impact of changes in accounting estimates is dealt with in a deferred manner.

When immovable property, plant and equipment are excluded, the related costs, accumulated depreciation and accumulated impairment are deducted from the account, and the resulting profit or loss is recognized in the current year's profit or loss according to its nature.

(VIII) Intangible assets

1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for prospective basis.

2. Derecognition of intangible assets

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

(IX) Impairment of property, plant and equipment, right-of-use asset, intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(X) Financial Instruments

Financial assets and financial liabilities are recognized in the individual balance sheet when the group becomes a party to the contract terms of the instrument.

When financial assets and financial liabilities are originally recognized, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured by fair value plus transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized as profit or loss.

1.Financial Assets

The customary transactions of financial assets are recognized and excluded by The customary transactions of financial assets are recognized and excluded by accounting on the trading day.

(1) Measurement categories

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

A. Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit and loss include mandatory fair value through profit and loss and financial assets designated as fair value through profit and loss. Mandatory financial assets measured at fair value through profit or loss include equity instrument investments that the am algamating company has not specified to be measured at fair value through other comprehensive profit and loss, and debt instrument investments that are not classified as measured at amortized cost or measured at fair value through other comprehensive profi t and loss.

Financial assets measured at fair value through profit and loss are the dividends generated by fair value measurement, that are recognized in other income , and the benefits or losses generated by the remeasurement are recognized in other income and loss. (excluding any dividend or interest generated by the financial asset) Please refer to Note 28 for the method of determining fair value.

B. Financial assets measured at amortized cost

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

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

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

Financial Assets Measured at Amortized Cost (Including cash and approximately equivalent cash, receivables at amortized cost and foreign corporate bonds) after original recognition, it is measured by the total carrying amount determined by the effective interest method less the amortized cost of any impairment loss, any gain or loss on foreign currency exchange is recognised as profit or loss.

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

a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

b. Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Cash equivalents include those maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value such as time deposits. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive gains and losses

At the time of the original recognition, the group may make an irrevocable option to invest in equity instruments that are not held for transaction and which are not recognized by the acquirer of the business merger as a consideration, and specify that they are measured at fair value through other consolidated profits and losses.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Shares invested through other equity instruments measured at fair value through other consolidated income instruments are recognized in profit or loss when the right to receive money from the group is established, unless the dividend clearly represents the recovery of part of the investment cost.

(1) Impairment of Financial Assets

At each balance sheet date, the company assesses the impairment losses with expected credit losses on Financial Assets Measured at Amortized Cost.

Accounts receivable are recognized as allowance losses according to the expected credit losses during the period of existence. Other financial assets first assess whether the credit risk has increased significantly since the original recognition, and if it has not increased significantly, the allowance loss will be recognized as the expected credit loss of 12 months, and if it has increased significantly, the allowance loss will be recognized as the expected credit loss during the period of existence.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the possible default of the financial instrument within 12 months after the reporting date, the expected credit loss during the period of existence represents the expected credit loss of all possible default events of the financial instrument during the expected period.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Group:

A. Internal or external information show that the debtor is unlikely to pay it creditors.

B. When a financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(2) Exclusion of Financial Assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

When Financial Assets Measured at Amortized Cost is excluded as a whole, the difference between its carrying amount and the consideration received is recognized as profit or loss. When investment in equity instruments measured at fair value through other comprehensive profit or loss is excluded as a whole, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

1. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XI) Revenue recognition

After identifying the performance obligations in the client contract, the group apportion the transaction price among the performance obligations and recognize the income when the performance obligations are met.

(1) Revenue from Commodity Sales

Revenue from sales of goods is mainly derived from the sale of fabric. The Group recognizes revenue and accounts receivable at the time when the fabric is shipped to the customer's designated location or when the customer has the right to set the price and use the product and bears the risk of obsolescence of the product. Prepayments for the sale of goods are recognized as contractual liabilities before the goods are shipped. Based on historical experience and considering different contract terms, the Group recognizes a refund liability (recorded as other current liabilities) based on the estimated sales returns and discounts that may occur.

When supplying materials for processing, control of the processed goods is not transferred, in which case it is not recognized as revenue.

(2) Provision of services

Service income is the revenue generated from the provision of services according to a contract and is recognized proportionately with the degree of completion of services under a contract. The degree of completion of the contract is determined by the following method:

Revenue from dyeing and finishing is recognized when the services are performed, the amount of revenue can be measured reliably and it is likely to be recognized when economic benefits are generated.

(3) Electricity sales revenue

Recognition on a monthly basis after the power is transmitted to the substation at Taipower.

(XII) Lease

The Group evaluates whether the contract belongs to (or includes) the lease on the date of establishment of the contract. For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1. The Group is the lessor

When the lease terms transfer almost all risks and rewards attached to the ownership of the asset to the lessee, they are classified as financial leases. All other leases are classified as operating leases.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for remeasurement of the lease liability.

The straight-line basis of the right-to-use asset is depreciated earlier from the start of the lease to the expiration of the useful life or the expiration of the lease period.

The lease liability is originally measured by the present value of the lease payment (including fixed payment and substantial fixed payment). If the implied interest rate of the lease is easily determined, the lease payment shall be discounted at that rate. If the interest rate is not easy to determine, use the lessee to increase the borrowing rate.

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

(XIII) Government Subsidy

The government subsidy shall be recognized only if it is reasonably confident that the Group will comply with the conditions attached to the government subsidy and will be able to receive the subsidy.

Government grants related to revenue are recognised on a systematic basis as a reduction in relevant costs in the period in which the relevant costs are recognised as an expense by the amalgamating company

If the government subsidy is used to compensate for expenses or losses that have been incurred, or for the purpose of providing immediate financial support to the merged company and there are no future related costs, it will be recognized as profit or loss during the period in which it can be collected.

(XIV) Employee benefits

1. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

To determine that the pension allocated to the retirement scheme is recognized as an expense during the period of service provided by the employee.

To determine the defined benefit cost of a welfare retirement plan (including service cost, net interest and remeasurement) is an actuary based on the projected unit welfare method. Service costs (including current service costs and net interest on net defined benefit liabilities are recognized as employee welfare expenses when incurred. Remeasures (including actuarial gains and losses and compensation for plan assets after deducting interest) are recognized in other consolidated profit or loss and included in other equity at the time of occurrence and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability is the appropriation deficit of the defined welfare retirement plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(XV) Borrowing Cost

The borrowing cost directly attributable to the acquisition, construction or production of an asset (that is, assets that must take a considerable period of time to reach their intended use or sale status) that meets the requirements shall be part of the cost of the asset until almost all necessary activities for the intended use or sale of the asset have been completed.

Apart from the above, all other borrowing costs are recognized as profit or loss in the current year.

(XVI) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current Income Tax

The Group determines its current income (losses) according to the regulations established by the governing authority of each income tax reporting region and calculates the income tax payable (recoverable) accordingly.

According to the Income Tax Law of the ROC, an additional tax of unappropriated earnings is recognized in the year the shareholders approve to retain earnings.

Adjustments to the income tax payables in prior years are accounted for as the current income tax

2. Deferred Income Tax

Deferred income tax is calculated on the basis of the temporary difference between the carrying amount of assets and liabilities and the tax basis on which taxable income is calculated.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when taxable income tax credits are likely to be used to deduct temporary differences.

The carrying amount of deferred income tax assets is re-examined on each balance sheet date, and the carrying amount is reduced for those who are no longer likely to have sufficient taxable places to recover all or part of the assets. Assets that were not previously recognized as deferred income tax assets will also be re-examined on each balance sheet date, and the carrying amount will be increased if the taxable assets will be able to recover all or part of the assets in the future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period in which the liabilities are settled or the assets are realized, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences of how the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and Deferred Income Tax

Current and deferred income tax are recognized as profit or loss, but current and deferred income tax related to items recognized in other consolidated profit or loss are recognized as other consolidated profit or loss.

## V. Main Sources of Uncertainty about Major Accounting Judgements, Estimates and Assumptions

When adopting accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those who are difficult to obtain relevant information from other sources. The actual results may differ from the estimates.

The group takes the economic impact of COVID-19 epidemic into consideration of material accounting estimates, and management will continue to review the estimates and basic assumptions. If the revision of the estimate affects only the current period, it is recognized in the current period of the revision; if the revision of the accounting estimate affects both the current and future periods, it is recognized in the current and future periods of the revision.

The management of the Group evaluated that there were no critical accounting judgments or estimation uncertainty on the accounting policies, estimates and basic assumptions that were adopted by the Group.

## VI. Cash and Cash Equivalents

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash | $ 213 | $ 302 |
| Bank Check and Current Deposit | 140,233 | 122,790 |
| Cash Equivalents | | |
| Bank fixed deposit with original maturity date within 3 months | 150,811 | 78,942 |
| | $ 291,257 | $ 202,034 |

The market interest rates for bank demand deposit and bank fixed deposit with original maturity date within 3 monthes commercial promissory notes at the balance sheet date are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Bank demand deposit | 0.005%～0.90% | 0.005%～1.45% |
| Bank fixed deposit with original maturity date within 3 months | 4.15%～4.36% | 4.55% |

## VII. Financial instruments measured at fair value through profit or loss

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Financial Assets-Current | | |
| Compulsory measurement at fair value through profit or loss | | |
| Non-derivative Financial | | |
| - Domestic Listed (OTC) Stocks | $ 19,023 | $ 57,165 |

## VIII. Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss

Equity Instrument Investment:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | | |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Domestic Investment | | |
| Listed Stocks | $ - | $ 10,286 |
| | | |
| Non-Current | | |
| Foreign Investment | | |
| Bright Wisdom Holdings Limited | $ 6,578 | $ 4,592 |

The group invests for medium-and long-term strategic purposes and expects to make a profit through long-term investment. The management of the group considers that the short-term fair value fluctuations of these investments are inconsistent with the aforementioned long-term investment planning if they are included in profit or loss, and therefore choose to designate these investments to be measured at fair value through other comprehensive profits and losses.

## IX. Financial Assets Measured at Amortized Cost

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | | |
| Domestic investment | | |
| Time deposits with original maturities of less than 3 months | $ 96,000 | $ 166,685 |
| Restricted assets | 500 | 500 |
| | | |
| Foreign investment | - | 6,087 |
| U.S. government debt | - | 3,057 |
| | $ 96,500 | $ 176,329 |
| Noncurrent | | |
| Foreign investment | | |
| U.S. government debt | $ 7,381 | $ 4,220 |
| Corporate bonds | 103,159 | 41,006 |
| | $ 110,540 | $ 45,226 |

(I) The interest rates on time deposits and restricted assets with original maturities of more than 3 months at the end of the reporting period were as follows：

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Time deposits with original maturities of less than 3 months | 1.58%～1.7% | 1.45%～4.4% |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Restricted assets | 1.525% | 1.4% |

Restricted assets are time deposits that purchase in as security from firm. Please refer to Note 30.

(II) In 2024 and 2023, the Group obtained the bonds of NTD 60,365 thousand and NTD54,373 thousand. The effective interest rates are 4.29%~5.37% and 3.89%~6.94% respectively.

(i) In 2014, the group received a disposal price of NTD9,843 thousand due to the maturity of foreign corporate bonds.

(ii) For information related to the Group’s investment in foreign

corporate bonds and government bonds, please refer to Schedule 2 of Note 32, “Securities held at the end of the period (excluding investment in subsidiaries)”.

(iii) The group only invests in debt instruments whose credit rating is above investment grade (inclusive) and the derogation assessment is of low credit risk, and the credit rating information is provided by independent rating agencies. The company continues to track external rating information to monitor changes in credit risk of invested debt instruments, and to review other information such as bond yield curve and significant information on debtors, in order to assess whether the credit risk of investment in debt instruments has increased significantly since the original recognition.

The group takes into account the current financial position of the debtors and the forecast of the prospects of their industries to measure the expected credit loss of 12 months or the duration of the investment in debt instruments.

The current credit risk rating mechanism of the Company is as the following:

| Credit Rating | Definition | Basis for Recognizing ECLs |
|---|---|---|
| Normal | The credit risk of the debtor is low, with sufficient solvency for the contractual cash flow | 12-month expected credit losses |
| Abnormal | The credit risk has been significantly increased since initial recognition | Lifetime expected credit losses（credit not impaired） |
| Default | Evidence of credit loss exists | Lifetime expected credit losses（credit-impaired） |
| Write Off | The available proof showed that the debtor was suffering serious financial difficulties and it was impossible for the merged company to expect recoverability | Direct Write Off |

The total carrying amounts of the debt instrument investments of each credit rating, and the applicable ECL rates are as the following:

December 31,2024

| Credit Rating | Expected Credit Loss (ECL) | Total of Carrying Amount<br>Instruments carried at amortized cost |
|---|---|---|
| Normal | 0% | $ 110,540 |
| Abnormal | - | - |
| Default | - | - |
| Write Off | - | - |

December 31,2023

| Credit Rating | Expected Credit Loss (ECL) | Total of Carrying Amount<br>Instruments carried at amortized cost |
|---|---|---|
| Normal | 0% | $ 54,370 |
| Abnormal | - | - |
| Default | - | - |
| Write Off | - | - |

As of December 31, 2024, the group assessed that the credit risk of the debtor was low and had sufficient capacity to repay the cash flow of the contract, so the expected credit loss was not mentioned.

## X. Notes Receivables, Account Receivables and Other Receivables

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Note Receivable | | |
| Measured at Amortized Cost | | |
| Total Book Valu | $ 2,476 | $ 2,349 |
| Minus: Allowance for Loss | - | - |
| | $ 2,476 | $ 2,349 |
| Account Receivable | | |
| Measured at Amortized Cost | | |
| Total Book Valu | $ 65,603 | $ 52,332 |
| Minus: Allowance for Loss | ( 671 ) | ( 252 ) |
| | $ 64,932 | $ 52,080 |
| Other Receivable | | |
| Interest Receivable | $ 2,006 | $ 1,217 |
| Others | 8 | 3 |
| | $ 2,014 | $ 1,220 |

(I) Note Receivable and Account Receivable

Before accepting a new customer, the Group evaluates the credit rating and sets the credit limit for that potential customer. Customer credit limits and ratings are reviewed annually on an occasional basis. The average credit period for sales of goods and dyeing and finishing is 60 days.

The IFRS 9 simplified approach is adopted by the Group to recognize an allowance for losses on notes receivable and accounts receivable based on lifetime expected credit losses. The lifetime expected credit losses is calculated by using the reserve matrix, which examines the past default records of customers and their current financial situation, the economic situation, the GDP forecast, and the industry outlook. The historical experience of the Group's credit loss history has shown that the loss patterns of different customer have not significantly different from the loss patterns. Therefore, the provision matrix is not further differentiated in the client base. Only the number of days for notes receivable and accounts receivable are used for setting the expected credit loss rate.

The Group directly writes off related notes receivable and accounts receivable when there is evidence indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery by the Group. For example, the debtor is in liquidation. The Group continues to engage in enforcement activity, and the recovered amounts are recognized as profit or loss.

1. The Group measures the allowance loss of notes receivable according to the reserve matrix as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| | Within 120 days of account opening | Within 120 days of account opening |
| Expected Credit Loss Rate | 0% | 0% |
| Total Book Value | $ 2,476 | $ 2,349 |
| Allowance for Loss (Expected Credit Loss During the Period of Existence) | - | - |
| Amortized Cost | $ 2,476 | $ 2,349 |

2. The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2024

| | Within 30 days | 31 to 60 days | 61 to 90 days | 91 to 120 days | 121 to 150 days | 151 to 180 days | 181 to 210 days | 211 to 240 days | Over 240 Days | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.11% | 1.53% | 8.04% | 28.49% | 50.79% | 72.59% | 100% | 100% | 100% | |
| Total Book Value | $ 43,384 | $ 19,971 | $ 1,913 | $ 70 | $ 241 | $ 16 | $ - | $ - | $ 8 | $ 65,603 |
| Loss allowance (Lifetime ECLs) | ( 49 ) | ( 306 ) | ( 154 ) | ( 20 ) | ( 122 ) | ( 12 ) | - | - | ( 8 ) | ( 671 ) |
| Amortized cost | $ 43,335 | $ 19,665 | $ 1,759 | $ 50 | $ 119 | $ 4 | $ - | $ - | $ - | $ 64,932 |

December 31, 2023

| | Within 30 days | 31 to 60 days | 61 to 90 days | 91 to 120 days | 121 to 150 days | 151 to 180 days | 181 to 210 days | 211 to 240 days | Over 240 Days | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.06% | 0.12% | 2.90% | 22.20% | 39.06% | 69.63% | 100% | 100% | 100% | |
| Total Book Value | $ 35,983 | $ 13,877 | $ 2,159 | $ - | $ 219 | $ 94 | $ - | $ - | $ - | $ 52,332 |
| Loss allowance (Lifetime ECLs) | ( 23 ) | ( 16 ) | ( 63 ) | - | ( 85 ) | ( 65 ) | - | - | - | ( 252 ) |
| Amortized cost | $ 35,960 | $ 13,861 | $ 2,096 | $ - | $ 134 | $ 29 | $ - | $ - | $ - | $ 52,080 |

The movements of the loss allowance of accounts receivable were as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 252 | $ 408 |
| Add: Amounts recognized | 421 | - |
| Less: Amounts written off | - | ( 147) |
| Less: Net remeasurement of loss allowance | ( 2) | ( 9) |
| Ending balance | $ 671 | $ 252 |

Refer to Note 28(IV) for details of the Group's concentration of credit risk of accounts receivable.

(II) Other receivables

Other receivables are mainly interest receivable, the Group's policy is to trade solely by reputable company. The Group determines whether credit risk has increased significantly since initial recognition and measures the loss allowance for other receivables by continuous monitoring of the debtor, with reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As of December 31, 2024 and 2023, the Group assessed that the expected credit loss rate of other receivables was 0%.

XI. Inventory

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Raw materials | $ 88,174 | $ 71,187 |
| Work in process | 65,289 | 58,478 |
| Finished goods | 4,772 | 6,997 |
| Materials | 4,513 | 3,946 |
| | $ 162,748 | $ 140,608 |

The nature of operating costs related to inventories is as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost of inventories sold | $ 547,655 | $ 482,934 |
| Inventory depreciation (recovery benefit) loss (I) | 641 | ( 2,028) |
| Unallocated manufacturing overhead | 36,607 | 41,214 |
| Revenue from sale of leftovers and scrap | ( 858) | ( 1,530) |
| | $ 584,045 | $ 520,590 |

The increase in the net realizable value of inventories as of December 31, 2024 and 2023 was mainly due to the increase in inventory sales prices.

## XII. Other assets

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | | |
| Payment in advance | $ 13,448 | $ 5,243 |
| Prepaid expense | 4,820 | 6,051 |
| Tax credit | 3,181 | 1,810 |
| Provisional payment | 2,048 | 399 |
| | $ 23,497 | $ 13,503 |
| Non-current | | |
| Long-term Prepayments | $ 32,631 | $ 10,225 |

## XIII. Subsidiaries

### Subsidiaries included in the consolidated financial statements

The main preparation for this consolidated financial statement is as follows:

| | | | Shareholding % | |
|---|---|---|---|---|
| Investor | Investee | Nature of Activities | December 31, 2024 | December 31, 2023 |
| Evertex Fabrinology Limited | Tung Fa Liu Neng Co., Ltd. | Self-usage power generation equipment utilizing renewable energy industry | 100% | 100% |

## XIV. Property, Plant and Equipment

| | Self-owned Land | Buildings | Machinery Equipment | Machinery Equipment | Other Equipment | Total |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Balance on January 1, 2024 | $ 174,044 | $ 342,470 | $ 510,603 | $ 6,621 | $ 230,980 | $1,264,718 |
| Additions | - | 856 | 15,332 | - | 2,157 | 18,345 |
| Disposals | - | - | ( 3,848 ) | ( 1,247 ) | ( 100 ) | ( 5,195 ) |
| Reclassification (Remark) | - | - | 1,451 | - | - | 1,451 |
| Balance on December 31,2024 | $ 174,044 | $ 343,326 | $ 523,538 | $ 5,374 | $ 233,037 | $1,279,319 |
| Accumulated depreciation | | | | | | |
| Balance on January 1, 2024 | $ - | $ 305,609 | $ 375,045 | $ 6,041 | $ 172,011 | $ 858,706 |
| Depreciation expense | - | 5,079 | 30,123 | 366 | 10,704 | 46,272 |
| Disposals | - | - | ( 3,848 ) | ( 1,247 ) | ( 100 ) | ( 5,195 ) |
| Balance on December 31,2024 | $ - | $ 310,688 | $ 401,320 | $ 5,160 | $ 182,615 | $ 899,783 |
| Net balance on December 31,2024 | $ 174,044 | $ 32,638 | $ 122,218 | $ 214 | $ 50,422 | $ 379,536 |
| Cost | | | | | | |
| Balance on January 1, 2023 | $ 174,044 | $ 342,240 | $ 506,253 | $ 7,674 | $ 199,894 | $1,230,105 |
| Additions | - | 230 | 19,633 | 47 | 9,206 | 29,116 |
| Disposals | - | - | ( 16,183 ) | ( 1,100 ) | ( 382 ) | ( 17,665 ) |
| Reclassification (Remark) | - | - | 900 | - | 22,262 | 23,162 |
| Balance on December 31,2023 | $ 174,044 | $ 342,470 | $ 510,603 | $ 6,621 | $ 230,980 | $1,264,718 |

| | Self-owned Land | Buildings | Machinery Equipment | Machinery Equipment | Other Equipment | Total |
|---|---|---|---|---|---|---|
| Accumulated depreciation | | | | | | |
| Balance on January 1, 2023 | $ - | $ 298,897 | $ 361,894 | $ 6,577 | $ 162,406 | $ 829,774 |
| Depreciation expense | - | 6,712 | 29,334 | 564 | 9,987 | 46,597 |
| Disposals | - | - | ( 16,183 ) | ( 1,100 ) | ( 382 ) | ( 17,665 ) |
| Balance on December 31,2023 | $ - | $ 305,609 | $ 375,045 | $ 6,041 | $ 172,011 | $ 858,706 |
| Net balance on December 31,2023 | $ 174,044 | $ 36,861 | $ 135,558 | $ 580 | $ 58,969 | $ 406,012 |

Note. The balance is transferred from the prepaid equipment payment.

The Group did not capitalize interest in 2024 and 2023.

There is no an indication that the property, plant and equipment may be impaired in 2024 and 2023.

The immovable property, plant and equipment of the Group are determined on the basis of cost and depreciated on the basis of the following durable years:

| | |
|---|---|
| Buildings | |
| Main Building of Factory | 26-40 years |
| Storehouse | 10-26 years |
| Others | 3-25 years |
| Machinery Equipment | 3-20 years |
| Transportation Equipment | 3-5 years |
| Other Equipment | |
| Office Equipment | 3-15 years |
| Land Improvement | 10-15 years |
| Dormitory Equipment | 15-40 years |
| Other Equipment | 3-15 years |

Please refer to Note 30 for the amount of real estate and factory buildings set by the consolidated company as a guarantee for the loan amount.

## XV. Lease Arrangement

### (I) Right-of-use Assets

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Right-of-use assets Carrying amount | | |
| Buildings | $ 2,037 | $ 2,564 |
| Transportation Equipment | 3,335 | 5,466 |
| Other Equipment | 1,271 | 2,360 |
| | $ 6,643 | $ 10,390 |

| | 2024 | 2023 |
|---|---|---|
| Additions to right-of-use assets | $ 696 | $ 10,561 |
| Termination of right-of-use assets | $ 250 | $ 23 |
| Depreciation charge for right-of-use assets | | |
| Buildings | $ 509 | $ 514 |
| Transportation Equipment | 2,106 | 1,396 |
| Other Equipment | 1,578 | 1,751 |
| | $ 4,193 | $ 3,661 |

(II) Lease liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease liabilities Carrying amount | | |
| Current | $ 3,463 | $ 3,992 |
| Non-current | $ 3,282 | $ 6,459 |

Discount rates for lease liabilities were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Buildings | 2.1% | 2.1% |
| Transportation Equipment | 2.19% | 2.19% |
| Other Equipment | 1.15%～2.33% | 1.15%～2.19% |

(III) Material leasing activities and terms

The Group leases certain official cars and other equipment - stackers with lease terms of 1 to 3 years. The Group does not have bargain purchase options to acquire the cars and stackers at the end of the lease terms.

The Group leases buildings for the use of offices with lease term of 3~5 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease term.

(IV) Other lease information

| | 2024 | 2023 |
|---|---|---|
| Expenses relating to low-value asset leases | $ 262 | $ 284 |
| Total cash outflow for leases | ($ 4,594) | ($ 4,048) |

The Group’s leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## XVI. Intangible Assets

| | Computer software |
|---|---|
| Cost | |
| Balance on January 1, 2024 | $ 705 |
| Additions | 64 |
| Balance on December 31,2024 | $ 769 |

| | Computer software |
|---|---|
| Accumulated amortization | |
| Balance on January 1, 2024 | $ 596 |
| Amortization expense | 77 |
| Balance on December 31,2024 | $ 673 |
| | |
| Net balance on December 31,2024 | $ 96 |
| | |
| Cost | |
| Balance on January 1, 2023 | $ 705 |
| | |
| Accumulated amortization | |
| Balance on January 1, 2023 | $ 501 |
| Amortization expense | 95 |
| Balance on December 31,2023 | $ 596 |
| | |
| Net balance on December 31,2023 | $ 109 |

Computer software is amortized on a straight-line basis on 1~3 years.

## XVII. Short-term Loans

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured Loan | | |
| Line of Credit Borrowing | $ 30,000 | $ 35,000 |
| Interest rate | 2.427% | 2.195% |

## XVIII. Notes Payable and Accounts Payable

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Notes Payable | | |
| Notes Payable-From Business | $ 15,120 | $ 8,133 |
| Related Parties-From Business | $ 2,439 | $ 1,212 |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Accounts Payable | | |
| Notes Payable-From Business | $ 19,288 | $ 19,616 |
| Related Parties-From Business | $ 1,312 | $ 593 |

The average credit period for purchases was 90 days. The Group has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

## XIX. Other Payables

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Payables for salaries or bonuses | $ 43,069 | $ 33,325 |
| Payables for vacations | 8,627 | 7,911 |
| Utilities Payables | 2,727 | 2,052 |
| Payables for labor and health insurance | 2,379 | 2,285 |
| Payables for purchases of equipment (Note26) | 666 | 6,523 |
| Others | 11,480 | 11,026 |
| | $ 68,948 | $ 63,122 |

## XX. Other Payables

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Receipts under custody | $ 535 | $ 548 |
| Refund Liabilities | 391 | 229 |
| | $ 926 | $ 777 |

## XXI. Post-retirement Benefits Plan

(I) Determine the allocation plan

The pension system of the” Labor Pensions Regulation” applied by the group is a defined retirement scheme administered by the government, which transfers the pension to the individual account of the Labor Insurance Bureau according to 6% of the employee's monthly salary.

(II) Determine the benefit plan

The pension system administered by the group in accordance with the” Labor Standards Law” is a defined benefit retirement plan managed by the government. The payment of employee pension is based on the length of service and the average salary of 6 months prior to the approved retirement date. The group shall allocate a pension of 2% of the employee's total monthly salary to the Labor Retirement Reserve Supervision Board to deposit in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance of the special account is insufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be allocated once before the end of March of the next year. The special account is managed by the Labor Fund Operation Bureau of the Ministry of Labor, and the company has no right to affect the investment management strategy.

The amount of defined benefit plans included in the individual balance sheet is listed as follows:

Changes in net defined benefit (assets) liabilities are as follows:

| | Current Value of Determined benefit Obligations | Fair Value of Plan Assets | Net Determined benefit(Assets) Liabilities |
|---|---|---|---|
| Balance on January 1, 2023 | $ 7,270 | ($ 10,564) | ($ 3,294) |
| Interest Expense (Revenues) | 109 | ( 160) | ( 51) |
| Recognized in profits and losses | 109 | ( 160) | ( 51) |
| Number of Re-measurement | | | |
| Compensation for Planned Assets (except for the amount included in net interest) | - | ( 63) | ( 63) |
| Actuarial loss - change in financial assumptions | 147 | - | 147 |
| Actuarial Benefit-Experience Adjustment | 77 | - | 77 |
| Recognized in other comperhensive profits and losses | 224 | ( 63) | 161 |
| Employees' Allocation | - | ( 184) | ( 184) |
| Benefits Payment | ( 469) | 469 | - |
| Balance on December 31, 2023 | $ 7,134 | ($ 10,502) | ($ 3,368) |
| | | | |
| Balance on January 1, 2024 | $ 7,134 | ($ 10,502) | ($ 3,368) |
| Interest Expense (Revenues) | 89 | ( 133) | ( 44) |
| Recognized in profits and losses | 89 | ( 133) | ( 44) |
| Number of Re-measurement | | | |

| | | | |
|---|---|---|---|
| Compensation for Planned Assets (except for the amount included in net interest) | - | ( 947) | ( 947) |
| Actuarial loss - change in financial assumptions | ( 127) | - | ( 127) |
| Actuarial Benefit-Experience Adjustment | 834 | - | 834 |
| Recognized in other comperhensive profits and losses | 707 | ( 947) | ( 240) |
| Employees' Allocation | - | ( 238) | ( 238) |
| Benefits Payment | ( 1,029) | 1,029 | - |
| Balance on December 31, 2024 | $ 6,901 | ($ 10,791) | ($ 3,890) |

The Group is exposed to the following risks due to the defined benefit plans under the "Labor Standards Law":

1. Investment risk: through self-use and entrusted operation, the Labor Fund Operation Bureau of the Ministry of Labor invests the labor pension fund in domestic (foreign) equity securities and debt securities and bank deposits respectively, however, the distribution amount of the group's planned assets is calculated at a rate not lower than the 2-year time deposit interest rate of the local bank.
2. Interest rate risk: the decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the return on debt investment of planned assets will also increase, which will partially offset the impact of net defined benefit liabilities.
3. Salary risk: the calculation for determining the present value of benefit obligations is based on the future salary of the plan member. Therefore, the increase in the salary of plan members will increase the present value of determining benefit obligations.

The present value of the group's determined benefit obligations is carried out by a qualified actuary and the major assumptions for measuring the date are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount Rate | 1.500% | 1.250% |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Expected Rate of Increase in Salary | 2.000% | 2.000% |

If there are reasonably possible changes in the material actuarial assumptions, all other assumptions remain the same, the amount of increase (decrease) in the present value of the determined benefit obligations is as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Discount Rate | | |
| Increased 0.25% | ($ 123) | ($ 147) |
| Decreased 0.25% | $ 127 | $ 153 |
| | | |
| Expected Rate of Increase in Salary | | |
| Increased 0.25% | $ 124 | $ 149 |
| Decreased 0.25% | ($ 121) | ($ 144) |

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Expected amount to be allocated within 1 year | $ 238 | $ 184 |
| Average expiration period of determined benefit obligations | 7.2 年 | 8.4年 |

## XXII. Equity

### (I) Common stock

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Authorized Shares (thousand shares) | 101,880 | 101,880 |
| Authorized Equity | $ 1,018,800 | $ 1,018,800 |
| Shares Issued and Fully Received (thousand shares) | 85,767 | 85,767 |
| Equity Issued | $ 857,670 | $ 857,670 |

The issued common shares have a par value of NT$ 10 each and each share has the right to vote and receive dividends.

### (II) Capital Reserves

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| May be used to offsetting a deficit, distributed as cash dividends, or transferred to share capital | | |
| Share Premium | $ 3,000 | $ 3,000 |
| Only used to make up for losses | | |
| Gain from disposal of assets | 3,918 | 3,918 |
| Benefits from exercise Disgorgement | 399 | 399 |
| | $ 7,317 | $ 7,317 |

The capital reserve can be used to make up for losses. The excess of shares issued in excess of par value may also be used to issue cash or allocate share capital when there is no loss in the group, subject to a certain percentage of paid-in share capital each year.

The capital reserve arising from the gains from the disposal of assets and benefits from exercise Disgorgement shall not be used for any purpose other than making up for losses.

(III) Retention of surplus and dividend policy

The Company’s Articles of Incorporation provide that, earnings distribution may be made on a quarterly basis after the close of each half year. Distribution of earnings by way of cash dividends should be approved by the Company’s Board of Directors and reported to the Company’s shareholders in its meeting.

According to the surplus distribution policy of the Company, The Company may distribute earnings or make up losses after the end of each semi-annual fiscal year. If the distribution of earnings is made in cash, it shall be resolved by the board of directors in accordance with Article 228-1 and Article 240 of the Company Act and reported to the shareholders’ meeting without being submitted to the shareholders’ meeting for ratification. If the distribution of earnings is made by issuing new shares, it shall be handled in accordance with Article 240 of the Company Act.

The Company’s dividend policy is based on the current and future investment environment, capital requirements, and capital budget, while considering the shareholders’ interest, dividend balance, and the

Company's long-term financial planning as the Company is in the business development stage. The Company shall distribute dividends and bonuses to shareholders not less than annual earnings after deducting income tax, making up for loss, setting aside legal reserve, but legal reserve has reached the amount of paid-in capital, it may no longer be set. The rest will be set or reversed 50% special reserve shall distribute dividends and bonuses according to the regulations. The annual dividends shall be paid in cash first, but stock dividends may also be distributed, of which no less than 10% of the total dividends shall be paid in cash.

The estimated basis and actual allotment of the remuneration of the employees and directors of the company can be found in Note 23 (8).

The statutory surplus reserve shall be set aside until its balance reaches the total paid-in share capital of the company. The statutory surplus reserve can be used to make up for losses. When there is no loss in the company, the part of the statutory surplus reserve exceeding 25% of the total paid-in share capital may be allocated in cash in addition to the allocated share capital.

When the company distributes its surplus, it must set aside the balance of equity deduction items (including unrealized losses on financial assets) as a special surplus reserve according to laws and regulations. If there is a subsequent reduction in the amount of equity deduction, the reduced amount can be transferred back to the undistributed surplus from the special surplus reserve.

The appropriations and cash dividends per share in 2023 and 2022 were as follows:

| | 2023 | 2022 |
|---|---|---|
| Legal reserve provided | $ 4,922 | $ 3,513 |
| Reversr special reserve provided | ($ 1,714) | ($ 121) |
| Cash dividends to shareholders | $ 49,745 | $ 38,595 |
| Cash dividends per share (NT$) | $ 0.58 | $ 0.45 |

The above-mentioned cash dividends were approved on March 08, 2024 and March 24, 2023 respectively. The remaining surplus distribution items for 2022 have been resolved at the general meeting of shareholders on July 27, 2023. The remaining surplus distribution items for 2023 have been resolved at the general meeting of shareholders on June 25, 2024.

On August 9, 2023, the company's board of directors resolved not to distribute the surplus in the first half of 2023.

On August 9, 2024, the company's board of directors resolved not to distribute the surplus in the first half of 2024.

The company’s appropriation of earnings for 2024 second half that had been proposed by the Board of Directors on March 12, 2025 was as follows:

| | 2024 |
|---|---|
| Legal reserve provided | $ 9,750 |
| Reversr special reserve provided | ($ 1,650) |
| Cash dividends to shareholders | $ 86,625 |
| Cash dividends per share (NT$) | $ 1.01 |

The above-mentioned cash dividends have been distributed by the resolution of the board of directors, others will be resolved by the shareholders meeting to be held on June 26, 2025.

(IV) Other Equity

Unrealized gain on financial assets at FVTOCI

| | 2024 | 2023 |
|---|---|---|
| Balance on January 1 | ($ 1,650) | ($ 3,364) |
| Recognized for the year | | |
| Unrealized gain | | |
| Equity instruments | 1,870 | 1,714 |
| Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal | 1,408 | - |
| Balance on December 31 | $ 1,628 | ($ 1,650) |

XXIII. Net Income

(I) Operating revenue

| | 2024 | 2023 |
|---|---|---|

| | 2024 | 2023 |
|---|---|---|
| Segmentation of Customer Contract Revenue | | |
| Sales Revenue | | |
| －Cloth trading | $ 640,710 | $ 500,407 |
| －Other | 10,751 | 11,388 |
| Service Revenue | | |
| －Dyeing & Finishing | 136,578 | 143,426 |
| | $ 788,039 | $ 655,221 |

Contract balance

| | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|---|---|---|---|
| Notes Payable And Account Payable(Note 10) | $ 67,408 | $ 54,429 | $ 68,802 |
| Contract liabilities | | | |
| Revenue of Commodity Sales | $ 8,833 | $ 8,497 | $ 8,673 |

The amount of performance obligations that have been met at the beginning of the year as income in the current period is as follows:

| | 2024 | 2023 |
|---|---|---|
| Contract Liabilities from the Beginning of Year | | |
| Revenue of Commodity Sales | $ 8,497 | $ 8,673 |

Breakdown of Customer Contract Revenue

For the breakdown of revenue, please refer to Note 35.

(II) Other operating income and expenses

| | 2024 | 2023 |
|---|---|---|
| Gain (loss) on disposal of property, plant and equipment | $ 519 | $ 1,094 |

(III) Interest revenue

| | 2024 | 2023 |
|---|---|---|
| Bank deposit | $ 2,289 | $ 980 |
| Financial statements measured at amortized cost assets | 10,965 | 5,394 |
| | $ 13,254 | $ 6,374 |

(IV) Other Revenue

| | 2024 | 2023 |
|---|---|---|

| | 2024 | 2023 |
|---|---|---|
| Dividend Revenue | | |
| Gain (loss) on financial instruments at FVTPL | $ 394 | $ 2,341 |
| Gain (loss) on investments in equity instruments measured at FVTOCI | 1,095 | 686 |
| Other gains | | |
| Government Subsidy | 1,484 | 1,289 |
| Others | 309 | 433 |
| | $ 3,282 | $ 4,749 |

(V) Other Revenues and Losses

| | 2024 | 2023 |
|---|---|---|
| Net loss on financial instruments at fair value through profit or loss mandatorily | $ 17,027 | ($ 1,179) |
| Net gain (loss) on foreign currency exchange | 331 | 13,727 |
| Lease modification benefit | 3 | - |
| Others | ( 136) | ( 37) |
| | $ 17,225 | $ 12,511 |

(VI) Financial Costs

| | 2024 | 2023 |
|---|---|---|
| Bank Loan Interest | $ 765 | $ 765 |
| Interest of Lease Liabilities | 183 | 135 |
| | $ 948 | $ 900 |

(VII) Depreciation and amortization expenses

| | 2024 | 2023 |
|---|---|---|
| Property, plant and equipment | $ 46,272 | $ 46,597 |
| Right-of-use assets | 4,193 | 3,661 |
| Total | $ 50,465 | $ 50,258 |
| | | |
| Intangibal Assets | $ 77 | $ 95 |
| | | |
| Depreciation expenses are summarized by function | | |
| Operating Costs | $ 47,319 | $ 47,065 |
| Operating Expenses | 3,146 | 3,193 |
| | $ 50,465 | $ 50,258 |
| | | |
| Depreciation expenses are summarized by function | | |
| Operating Expenses | $ - | $ - |

| | 2024 | 2023 |
|---|---|---|
| Management Expense | 77 | 95 |
| | $ 77 | $ 95 |

(VIII) Employees' Benefit Expenses

| | 2024 | 2023 |
|---|---|---|
| Retirement Benefits (Note 21) | | |
| Determined Allocation Plan | $ 5,324 | $ 5,409 |
| Determined Benefit Plan | ( 44 ) | ( 51 ) |
| | 5,280 | 5,358 |
| Other Employee Benefits | 187,246 | 165,798 |
| Total Employees' Benefit Expense | $ 192,526 | $ 171,156 |
| | | |
| Summary by Function | | |
| Operating Costs | $ 119,900 | $ 108,417 |
| Operating Expenses | 72,626 | 62,739 |
| | $ 192,526 | $ 171,156 |

(IX) Employee Remuneration and Director Remuneration

The company allocates employee remuneration and director remuneration at the pre-tax benefit of 3% and not more than 3% respectively before deducting the distribution of employee and director remuneration in the current year. The Company’s profit sharing bonus to employees and compensation to directors for 2024, 2023 had been approved by the Board of Directors of the Company in March 12,2025 and March 8,2024, as illustrated below:

Estimation Ratio

| | 2024 | 2023 |
|---|---|---|
| Employee remuneration | 3% | 3% |
| Director Remuneration | 3% | 3% |

The amount

| | 2024 | 2023 |
|---|---|---|
| | Cash | Cash |
| Employee remuneration | $ 3,820 | $ 1,791 |
| Director Remuneration | 3,820 | 1,791 |

If there is any change in the amount after the release of the annual consolidated financial report, it shall be dealt with according to the change in accounting estimates and adjusted to be recorded in the following year.

There is no significant difference between the aforementioned approved amounts and the amounts charged against earnings of 2024 and 2023 respectively.

Information on the employees' compensation and remuneration of directors resolved by the Company's Board is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

(X) Net loss on foreign currency exchange

| | 2024 | 2023 |
|---|---|---|
| Foreign currency exchange gains | $ 22,124 | $ 8,091 |
| Foreign currency exchange losses | ( 5,097 ) | ( 9,270 ) |
| Net gain (loss) | $ 17,027 | ($ 1,179 ) |

XXIV. Income Tax

(I) The main components of income tax expenses (benefits) recognized as profit and loss

| | 2024 | 2023 |
|---|---|---|
| Current Income Tax | | |
| Arising in the Current Year | $ 21,239 | $ 8,304 |
| Unappropriated earnings levy | ( 557 ) | ( 410 ) |
| | 20,682 | 7,894 |
| Deffered Income Tax | | |
| Arising in the Current Year | 2,709 | ( 62 ) |
| Income Tax Expenses Recognized in the Profit or Loss | $ 23,391 | $ 7,832 |

The adjustment of accounting revenues and income tax benefits in 2024 and 2023 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Income before Tax | $ 120,700 | $ 57,178 |

| | | |
|---|---|---|
| Income Tax Benefits Calculated at Statutory Tax Rate for Net Loss before Tax | $ 24,140 | $ 11,436 |
| Benefit that cannot be deducted in tax from the loss | 760 | ( 2,514) |
| Tax-exempt income | ( 952) | ( 680) |
| Unappropriated earnings levy | ( 557) | ( 410) |
| Investment Tax Credit in the Current Year | $ 23,391 | $ 7,832 |

(II) Income tax recognized in other comprehensive income

| | 2024 | 2023 |
|---|---|---|
| Deffered Income Tax | | |
| —Number of Re-measurement of Determined Benefits | | |
| Income tax recognized in other comprehensive profit or loss | ($ 48) | $ 32 |
| Deffered Income Tax | ($ 48) | $ 32 |

(III) Current Income Tax Assets and Liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Income Tax Liabilities | | |
| Income Tax Payable | $ 16,946 | $ 7,999 |

(IV) Deffered Income Tax Assets and Liabilitie

Changes in deferred income tax assets and liabilities are as follows:

2024

| Deffered Income Tax Assets | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Temporary Differences | | | | |
| Annual Leave Expense | $ 1,281 | $ 143 | $ - | $ 1,424 |
| Unrealized Exchange Loss | 860 | ( 860) | - | - |
| Refund liability | 46 | 32 | - | 78 |
| Others | 386 | 129 | - | 515 |
| | $ 2,573 | ($ 556) | $ - | $ 2,017 |

| Deferred Income Tax Liabilities | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Temporary Differences | | | | |
| Real estate, plant and accelerated depreciation of equipment | $ 3,254 | $ 300 | $ - | $ 3,554 |
| Actual amount of retirement pension | 1,451 | 57 | 48 | 1,556 |
| Exchange Gain | - | 1,796 | - | 1,796 |
| | $ 4,705 | $ 2,153 | $ 48 | $ 6,906 |

2023

| Deffered Income Tax Assets | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Temporary Differences | | | | |
| Annual Leave Expense | $ 1,147 | $ 134 | $ - | $ 1,281 |
| Unrealized Exchange Loss | 97 | 763 | - | 860 |
| Refund liability | 46 | - | - | 46 |
| Others | 793 | ( 407 ) | - | 386 |
| | $ 2,083 | $ 490 | $ - | $ 2,573 |

| Deferred Income Tax Liabilities | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Temporary Differences | | | | |
| Real estate, plant and accelerated depreciation of equipment | $ 2,872 | $ 382 | $ - | $ 3,254 |
| Actual amount of retirement pension | 1,437 | 46 | ( 32 ) | 1,451 |
| | $ 4,309 | $ 428 | ( $ 32 ) | $ 4,705 |

(V) Approval of Income Tax

The income tax declaration of the group's profit-oriented business shall be examined and approved by the taxing authorities before 2022.

The corporate income tax declarations of the subsidiary Tung Fa Liu Neng Co., Ltd. have been verified by the tax authorities for the declarations before 2021, and there is no significant difference between the verified amounts and the declared amounts.

XXV. Earnings Per Share

Net profit and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net Income

| | 2024 | 2023 |
|---|---|---|
| Net profit attributable to owners of the company | | |
| Basic/Diluted EPS Net income available to common shareholders | $ 97,309 | $ 49,346 |

Shares

Thousand stocks

| | 2024 | 2023 |
|---|---|---|
| The weighted average number of ordinary shares used in the calculation of basic earnings (net loss) per share | 85,767 | 85,767 |
| Impacts of potential ordinary shares with dilution effect: | | |
| Employees' compensation | 189 | 113 |
| The weighted average number of ordinary shares used in the calculation of diluted earnings (net loss) per share | 85,956 | 85,880 |

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## XXVI. Cash Flow Information

### (I) Non-cash transactions

For the years ended December 31, 2024 and 2023, the Group entered into the following non-cash investing and financing activities:

As of December 31, 2024 and 2023, the Gruop didn't paid acquisition of property, plant, equipment of NT$666 thousand and NT$6,523 thousand, list in payables to suppliers of machinery and equipment (please refer to note 19).

### (II) Changes in liabilities arising from financing activities

2024

| | Balance on January 1,2024 | Cash Flows | Non-cash Changes | | | | Balance of December 31,2024 |
|---|---|---|---|---|---|---|---|
| | | | New Leases | Lease modification | Amortization of Interest Expenses | Others | |
| Short Term Loan | $ 35,000 | ($ 5,000) | $ - | $ - | $ - | $ - | $ 30,000 |
| Lease Liabilitie | 10,451 | ( 4,149) | 696 | ( 253) | 183 | ( 183) | 6,745 |
| | $ 45,451 | ($ 9,149) | $ 696 | ($ 253) | $ 183 | ($ 183) | $ 36,745 |

2023

| | Balance on January 1,2024 | Cash Flows | Non-cash Changes | | | | Balance of December 31,2024 |
|---|---|---|---|---|---|---|---|
| | | | New Leases | Lease modification | Amortization of Interest Expenses | Others | |
| Short Term Loan | $ 35,000 | $ - | $ - | $ - | $ - | $ - | $ 35,000 |
| Lease Liabilitie | 3,542 | ( 3,629) | 10,561 | ( 23) | 135 | ( 135) | 10,451 |
| | $ 38,542 | ($ 3,629) | $ 10,561 | ($ 23) | $ 135 | ($ 135) | $ 45,451 |

## XXVII. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The overall strategy of the Group has not changed.

The Group has no other restrictions on external capital regulations.

## XXVIII. Financial Instruments

(I) Fair value of financial instruments that are not measured at fair value

Except as stated below, the Company's management believes that the carrying amount of financial instruments not measured at fair value approaches fair value.

December 31, 2024

| | Book Value | Fair Valie | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Financial Assets measured by amortized cost | | | | | |
| -U.S. government debt | $ 7,381 | $ - | $ 6,658 | $ - | $ 6,658 |
| -Corporate bonds | 103,159 | - | 97,785 | - | 97,785 |
| Total | $110,540 | $ - | $104,443 | $ - | $104,443 |

December 31, 2023

| | Book Value | 公允價值 | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | |
| Financial Assets measured by amortized cost | | | | | |
| -U.S. government debt | $ 10,307 | $ - | $ 10,046 | $ - | $ 10,046 |
| -Corporate bonds | 44,063 | - | 43,656 | - | 43,656 |
| Total | $ 54,370 | $ - | $ 53,702 | $ - | $ 53,702 |

The above-mentioned Level 2 fair value measurement is based on the quotation provided by the counterparty for evaluation.

(II) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31,2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Domestic listed stocks | $ 19,023 | $ - | $ - | $ 19,023 |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| －Domestic listed stocks | $ - | $ - | $ 6,578 | $ 6,578 |

December 31,2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Domestic listed stocks | $ 57,165 | $ - | $ - | $ 57,165 |
| | | | | |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| －Domestic listed stocks | $ 10,286 | $ - | $ - | $ 10,286 |
| －Foreign unlisted stocks | - | - | 4,592 | 4,592 |
| Total | $ 10,286 | $ - | $ 4,592 | $ 14,878 |

There were no transfers between Levels 1 and 2 in 2024 and 2023.

2. Reconciliation of Level 3 fair value measurements of financial instruments

2024

| Financial Assets | Financial Assets at FVTOCI Equity instruments |
|---|---|
| Balance on January 1 | $ 4,592 |
| Recognized in other comprehensive income (included in unrealized gain of financial assets at FVTOCI) | 1,986 |
| Balance on December 31 | $ 6,578 |

2023

| Financial Assets | Financial Assets at FVTOCI Equity instruments |
|---|---|
| Balance on January 1 | $ 3,405 |
| Recognized in other comprehensive income (included in unrealized gain of financial assets at FVTOCI) | 1,187 |
| Balance on December 31 | $ 4,592 |

3. Valuation techniques and assumptions used in Level 3 fair value measurement.

The fair values of overseas unlisted corporate equity investments are estimated using the market approach with reference to the net value stated in the most recent financial statements of the investee company and based on the evaluation of

(III) Categories of financial instruments

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Financial assets | | |
| Mandatorily measured at FVTPL | $ 19,023 | $ 57,165 |
| Financial assets measured at amortized Cost（Note 1） | 570,381 | 481,899 |
| Financial assets at FVTOCI Equity instruments | 6,578 | 14,878 |
| Financial Liabilities | | |
| Financial liabilities measured by amortized cost (Note 2) | 80,693 | 81,843 |

Note1. The balance includes financial assets measured at amortized cost, such as Cash and Cash Equivalents, Financial Assets Measured at Amortized Cost, Notes Receivable and Accounts Receivable, Other Receivables and Refundable Deposits.

Note2. The balance includes financial liabilities measured at amortized cost such as, notes payable (Include Related Party), accounts payable (Include Related Party), other payables and other financial Liabilities - restricted (recognized as other current and non-current Liabilities).

(IV) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, financial assets measured at FVTOCI, accounts receivable, accounts payable, and lease liabilities etc. The Group's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk and other price rate), credit risk and liquidity risk.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price changed risk.

There had been no change to the Group’s exposure to market risks or the manner in which these risks were managed and measured.

(1) Foreign currency risk

For the carrying amounts of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date, refer to Note 33.

Sensitivity analysis

The Group is mainly influenced by the USD & EUR exchange rate fluctuation.

The following table details the Group’s sensitivity to a 10% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency (U.S. dollar). 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included foreign cash, foreign currency deposit in bank, and receivable and payable in foreign currencies. The positive numbers in the following table represent the amount of increase in net profit before tax when functional currency depreciates 10% relative to the relevant currencies; when functional currency appreciates 10% relative to the relevant currencies, its impact on the net profit before tax will be the same negative number of the amount.

| | Influence of USD | | Influence of EUR | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Profit or loss | $ 30,809 | $ 20,875 | $ 491 | $ 918 |

The sensitivity of the group to the USD increased during the current period, mainly due to the increase in net assets denominated in USD during the current period.

The sensitivity of the Group to the EUR decreased during the current period, mainly due to the decrease in deposit in Euros during the current period.

(2) Interest rate risk

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Fair value interest rate risk | | |
| －Financial Assets | $ 357,851 | $ 300,497 |
| －Financial Liabilities | 6,745 | 10,451 |
| Cash flow interest rate risk | | |
| －Financial Assets | 115,185 | 114,104 |
| －Financial Liabilities | 30,000 | 35,000 |

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to interest rates for non-derivative instruments at the end of the reporting period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 50 basis points and all other variables remain unchanged, the Group's net income before tax in 2024 and 2023 will increase/decrease by NT$ 426 thousand and NT$ 396 thousand, mainly due to the Group's exposure to demand deposit interest rate and short-term loan interest rate risk.

The Group’s interest rate sensitivity increased during the period, which was mainly due to an increase in bank deposits with variable interest rates.

(3) Other Price Risk

The group's equity price exposure is caused by the investment of equity securities. The management of the group manages risks by holding different risk portfolios. The equity investment is strategical, not held for trading. Additionally, the group supervises periodical and evaluates price risk.

Sensitivity Analysis

The following sensitivity analysis is based on equity price exposure on the balance sheet date.

If equity prices rise/fall 10%, pre-tax profit or loss in 2024 and 2023 will increase/decrease by NT$ 1,902 thousand and NT$ 5,717 thousand due to the rise/fall in the fair value of financial assets measured by fair value through profit or loss. Other comperhensive profit and loss before tax in 2024 and 2023 will increase/decrease by NT$ 658 thousand and NT$ 1,488 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comperhensive income or loss.

The sensitivity of the group to the Financial assets at FVTPL decreased during the current period, mainly due to the decrease investment of equity securities during the current period.

The sensitivity of the group to the Financial assets at FVTPL has not changed significantly in this year compared to the previous year.

2. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group. As of the end of the reporting period, the group’s maximum exposure to credit risk, which will cause a financial loss to the group due to the failure of the counterparty to discharge its obligation, is primarily equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continually monitored.

The Group's concentration of credit risk of 71% and 72% in total trade receivables as of December 31, 2024 and 2023, respectively, was related to customers who exceed 5% of the total receivables.

3. Liquidity risk

The group maintains sufficient bank deposit and financing amount, supervises expected and actual cash flow continuously. The maturities of financial assets and liabilities are matched to achieve the purpose of managing liquidity risk.

(1) Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contract maturity analysis of non-derivative financial liabilities is based on the earliest possible repayment date of the Group and is compiled based on the undiscounted cash flows of financial liabilities.

December 31,2024

| | On Demand or Less than 1 Month | 1 Month - 3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing liabilities | $ 11,743 | $ 38,855 | $ 95 | $ - |
| Short-term liabilities | 30,000 | - | - | - |
| Lease liabilities | 338 | 634 | 2,601 | 3,348 |
| | $ 42,081 | $ 39,489 | $ 2,696 | $ 3,348 |

December 31,2023

| | On Demand or Less than 1 Month | 1 Month - 3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|---|---|---|---|---|

| | On Demand or Less than 1 Month | 1 Month - 3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing liabilities | $ 10,526 | $ 36,107 | $ 210 | $ - |
| Short-term liabilities | 35,000 | - | - | - |
| Lease liabilities | 353 | 705 | 3,113 | 6,623 |
| | $ 45,879 | $ 36,812 | $ 3,323 | $ 6,623 |

(2) Financing facilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Unsecured bank overdraft facilities | | |
| －Amount used | $ 30,000 | $ 35,000 |
| －Amount unused | 110,000 | 110,000 |
| | $ 140,000 | $ 145,000 |

## XXIX. Related Party Transaction

Transactions, account balances, profits and losses between the parent company and the subsidiary (related parties of the parent company) are written off at the time of the merger and are not disclosed in this note. The transactions between the merged company and other related parties are as follows:

(I) The Company's related parties

| Name of Related Party | Relationship with the merged company |
|---|---|
| Lan Fa Textile Co., Ltd. | Other related parties |
| Chung-Fa Investment Co., Ltd. | Other related parties (the chairman of the company are two Relatives within the same degree of kinship) |
| Anthony Poliang Yeh | Major Management |
| Chih-Ming Yeh | Other related parties (the chairman of the company are two Relatives within the same degree of kinship) |

(II) Purchases

| Related Party | 2024 | 2023 |
|---|---|---|
| Lan Fa Textile Co., Ltd. | $ 12,307 | $ 6,056 |

The trading conditions for the group to purchase goods from related parties are equivalent to those of general manufacturers.

(III) Property, plant and equipment

| Related Party Name/Categories | 2024 | 2023 |
|---|---|---|
| Chung-Fa Investment Co., Ltd. | $ - | $ 47 |

(IV) Lease Agreement

| Related Party Name/Categories /Account Item | 2024 | 2023 |
|---|---|---|
| Right-of-use Assets | | |
| Anthony Poliang Yeh/ Chih-Ming Yeh | $ - | $ 2,886 |

| Account Item | Related Party Name/Categories | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Lease Labilities | Anthony Poliang Yeh/ Chih-Ming Yeh | $ 2,072 | $ 2,564 |

| Related Party Name/Categories | 2024 | 2023 |
|---|---|---|
| Interest Expense | | |
| Anthony Poliang Yeh/ Chih-Ming Yeh | $ 48 | $ 38 |

The rental expenses of the group are leased offices from major management, the terms of the transaction are negotiated by both parties, rent is paid monthly.

(V) Related Party Payable

| Account Item | Related Party Name/Categories | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Note Payable | Lan Fa Textile Co., Ltd. | $ 2,439 | $ 1,212 |
| Account Payable | Lan Fa Textile Co., Ltd. | $ 1,312 | $ 593 |

The balance of the outstanding accounts payable to related parties is not guaranteed.

(VI) Remuneration of key management personne

| | 2024 | 2023 |
|---|---|---|
| Short-term employee benefits | $ 19,481 | $ 12,235 |
| Post-employment benefits | 550 | 402 |
| | $ 20,031 | $ 12,637 |

The balance of the outstanding accounts payable to related parties

XXX. Mortgaged Assets

The following assets of the group have been passed financing quota as collaterals, and guarantee deposits of purchasing goods from manufacturers.

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | $ 17,700 | $ 17,700 |
| Buildings | 481 | 882 |
| | $ 18,181 | $ 18,582 |
| | | |
| Restricted assets | $ 500 | $ 500 |

XXXI. Significant or Indebted and Unrecognized Contractual commitments

In addition to those stated in other notes, the group has the following significant commitments at the balance sheet date:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Commitments for equipment purchasing and project contracts | $ 8,831 | $ 27,098 |

XXXII. Material Subsequent Events：None.

XXXIII. Assets and Liabilities Denominated In Foreign Currencies

The following information is presented in foreign currencies other than the functional currency of the consolidated companies. The exchange rates disclosed are those converted from such foreign currencies to the functional currency. The group's assets and liabilities denominated in foreign currencies were as follows:

December 31, 2024

| | Foreign Currency (Thousand) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 9,405 | 32.785 （USD：TWD） | $ 308,320 |
| EUR | 144 | 34.14 （EUR：TWD） | 4,911 |

| | Foreign Currency (Thousand) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Non-monetary items | | | |
| USD | 201 | 32.785（USD：TWD） | 6,578 |
| | | | |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 7 | 32.785（USD：TWD） | 229 |

December 31, 2023

| | Foreign Currency (Thousand) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 6,804 | 30.71（USD：TWD） | $ 208,936 |
| EUR | 270 | 33.98（EUR：TWD） | 9,178 |
| Non-monetary items | | | |
| USD | 150 | 30.71（USD：TWD） | 4,592 |
| | | | |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 6 | 30.71（USD：TWD） | 183 |

The significant unrealized foreign exchange gains were as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Foreign Currency | Exchange Rate | Foreign Exchange Loss | Exchange Rate | Foreign Exchange Loss |
| USD | 32.11（USD：TWD） | $ 8,865 | 31.155（USD：TWD） | ( $ 4,527 ) |
| EUR | 34.74（EUR：TWD） | $ 115 | 33.70（EUR：TWD） | $ 175 |

## XXXIV. Separatly Disclosed Items

(I) Information about significant transactions:

1. Financing provided to others: None.
2. Endorsements/guarantees provided: Table 1.
3. Marketable securities held (excluding investments in subsidiaries): Table 2.
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Others：Intercompany relationships and significant intercompany transactions：Table 3.

(II) Information on reinvestment business: Table 4.

(III) Information on investments in China:

1. The name, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and remitted investment profit and loss of the invested company in China: None.
2. The following major transactions with China invested companies directly or indirectly through the third area, as well as their prices, terms of payment, unrealized profits and losses: None.
   (1) Balance and percentage at the end of the period of purchase amount and percentage and related payables: None.
   (2) Balance and percentage at the end of the period of sale amount and percentage and related payables: None.
   (3) The amount of property transactions and the amount of profit and loss generated: None.
   (4) Balance and purpose at the end of the period of note endorsement that guarantees or provides collateral: None.
   (5) Maximum balance, balance at the end of the period, interest rate range and total interest of the current period of financing: None.
   (6) Other transactions that have a significant impact on the current profit or loss or financial situation, such as the provision or receipt of labor services, etc: None.

(IV) Information of major shareholders: (the name, amount and proportion of shareholders with a shareholding ratio of 5% and more)： Table 5.

(V) Disclosure of information related to affiliated companies:

1. Consolidated financial statements of affiliated enterprises overall affiliated enterprises should disclose:

| NO. | Items | Illustrate |
|---|---|---|
| 1 | The name of the subordinate company, the relationship between it and the controlling company, the nature of the business, and the proportion of shares or capital contributions held by the controlling company. | Note 13、Table 4 |
| 2 | Changes in the increase and decrease of subsidiaries included in the consolidated financial statements of affiliated companies for the current period. | Note 13 |
| 3 | Names of affiliated companies not included in the consolidated financial statements of affiliated companies in the current period, the proportion of shares held or capital contribution, and the reasons for non-consolidation. | None |
| 4 | When the fiscal year start and end date of the subordinate company is different from that of the controlling company, the adjustment and treatment method. | None |
| 5 | The accounting policy of the subsidiary company is different from that of the controlling company; if it does not conform to the generally accepted accounting principles of the country, the adjustment method and content. | None |
| 6 | Special risks related to the operation of foreign subsidiaries, such as exchange rate changes, etc. | None |
| 7 | Circumstances where the profit distribution of affiliated enterprises is restricted by laws or contracts. | Note 22 |
| 8 | Method and period of amortization of consolidated debit (credit) items. | None |
| 9 | Other important matters or explanatory matters that contribute to the fair expression of the consolidated financial statements of related enterprises. | None |

Note. If there is a surplus in the annual final accounts of the subsidiary, after paying taxes and making up for the accumulated losses according to law, 10% will be raised as the statutory surplus reserve; If there is a balance remained, add the accumulated undistributed surplus. The board of directors will draft a surplus distribution proposal and submit it to the shareholders meeting for approval.

2. Matters to be disclosed by individual affiliated companies

| NO. | Items | Illustrate |
|---|---|---|
| 1 | Eliminated transactions between the controlling company and subordinate companies and between subordinate companies and subordinate companies. | Table 3 |
| 2 | Engaging in financing, endorsement and guarantee related information. | Table 1 |
| 3 | Information about engaging in derivatives transactions. | None |
| 4 | Major contingencies. | None |
| 5 | Significant Subsequent Events. | None |
| 6 | The name, quantity, cost, market price (if there is no market price, disclose the net value), shareholding or capital contribution ratio, pledge status, and the highest mid-term shareholding or capital contribution status of the securities and marketable securities held. | Table 2 and 4 |
| 7 | Other important matters or explanatory matters that contribute to the fair expression of the consolidated financial statements of related enterprises. | None |

## XXXV. Information of Departments

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of products delivered or services provided. The reportable segments of the Group are dyeing and finishing division、trading sales division and others.

The chief operating decision maker regards the departmental units in each region as individual operating departments, but when preparing the consolidated financial report, the combined company considers the following factors and regards these operating departments as a single operating department.

- Similar in nature
- The product is delivered to the customer in the same way

(I) Segment revenue and results

The income and operating results of the continuing business unit of the merged company are analyzed according to the reporting department as follows:

| Item | Dyeing and finishing division | Trading sales division | Others | Eliminations | Total |
|---|---|---|---|---|---|
| Revenue from external customers | $ 136,578 | $ 640,710 | $ 10,751 | $ - | $ 788,039 |
| Intersegment revenue | 150,722 | 7,405 | - | ( 158,127) | - |
| Total sales | $ 287,300 | $ 648,115 | $ 10,751 | ($ 158,127) | $ 788,039 |
| Segment income | ($ 95,737) | $ 211,378 | $ 5,059 | $ - | $ 120,700 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| Item | Dyeing and finishing division | Trading sales division | Others | Eliminations | Total |
| Revenue from external customers | $ 143,426 | $ 500,407 | $ 11,388 | $ - | $ 655,221 |
| Intersegment revenue | 109,078 | 4,943 | - | ( 114,021) | - |
| Total sales | $ 252,504 | $ 505,350 | $ 11,388 | ($ 114,021) | $ 655,221 |
| Segment income | ($ 93,329) | $ 145,226 | $ 5,281 | $ - | $ 57,178 |

This measure is provided to the chief operating decision maker to allocate resources to departments and measure their performance.

(II) Segment assets

Measures of consolidated company assets not provided for operational decisions.

(III) Geographical information

The main place of operation of the merged company is Taiwan.

The Group’s revenue from external customers by location of operations is detailed below:

| | 2024 | 2023 |
|---|---|---|
| Taiwan | $ 272,859 | $ 246,948 |
| Vietnam | 209,183 | 138,071 |
| Bengal | 117,942 | 89,815 |
| China | 78,742 | 32,377 |
| Cambodia | 36,129 | 20,309 |
| Indonesia | 15,341 | 79,863 |
| Others | 57,843 | 47,838 |
| | $ 788,039 | $ 655,221 |

(IV) Information about major customers

Customers that individually accounted for at least 10% of the Group’s revenue and their respective sales revenues were as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Name of customer | Amount | % of net revenue | Amount | % of net revenue |
| Customer A | $ 127,402 | 16% | $ 96,603 | 15% |
| Customer B | 91,611 | 12% | 43,331 | 7% |

Evertex Fabrinology Limited and Subsidiaries

Provision of endorsements and guarantees to others

January 1 to December 31, 2024

Table 1

Unit：NTD thousand

| NO. | Guarantor | Guaranteed | | Limit on guarantees provided for a single party (Note 2) | Maximum amount guarantee during the period (Note 4) | Outstanding guarantee at the end of the period (Note 4) | Actual amount drawn down | Amount of guarantees secured with collateral | Ratio of accumulated guarantee amount to net asset value of the guarantor company (Note 3) | Ceiling on total amount of guarantees provided (Note 2) | Provision of guarantees by parent company to subsidiary (Note 5 | Provision of guarantees by subsidiary to parent company (Note 5) | Provision of guarantees to the party in Mainland China (Note 5) | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company Name | Relationship | | | | | | | | | | | |
| 0 | The Company | Tung Fa Liu Neng Co., Ltd. | Note1 | $ 428,835 | $ 50,000 | $ 50,000 | $ 30,000 | $ - | 4.83% | $ 857,670 | Y | - | - | |

Note1: Associates in which the Company holds 50% of ordinary shares directly.

Note2: As for the amount of the Company's endorsement/guarantee provided to a single enterprise due to business dealings, the upper limit of the endorsement/guarantee provided shall not exceed one-half of the company's paid-in capital.

Note3: It is calculated according to the financial data of the company providing the endorsements/guarantees.

Note4: The maximum balance of endorsements/guarantees for the current period and the balance of endorsement/guarantee, end of period, are the amounts approved by the board of directors.

Note5: “Y” shall be entered only in the cases of endorsement/guarantee by the publicly listed parent to subsidiary; endorsement/guarantee by subsidiary to the publicly listed parent; endorsement/guarantee to entity in mainland china.

Evertex Fabrinology Limited and Subsidiaries

Markedable Securities Held (Do not include investment in subsidiaries)

December 31, 2024

Table 2 Unit: NTD thousand, thousands of share

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | End of term | | | | Remarks (Note5) |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| The Company | Stocks | | | | | | | |
| | Zig Sheng Industrial Co., Ltd. | None | Financial Assets Measured at Fair Value through Profit or Loss-current | 600 | $ 5,868 | 0.11 | $ 5,868 | 註 1 |
| | Prince Housing & Development Corp. | 〃 | 〃 | 900 | 9,225 | 0.06 | 9,225 | 註 1 |
| | China Steel Corporation | 〃 | 〃 | 200 | 3,930 | - | 3,930 | 註 1 |
| | China Rebar Co., Ltd | 〃 | Financial Assets Measured at Fair Value through Profit or Loss- non-current | 54 | - | - | - | 註 2 |
| | Bright Wisdom Holdings Limited | 〃 | Financial assets at fair value through other comprehensive income (FVTOCI) – non-current | 150 | 6,578 | 1.15 | 6,578 | 註 3 |
| | Bonds | | | | | | | |
| | Oracle Corporation USD Corporate Bonds | None | Financial assets measured at amortized cost – non-current | - | 7,493 | 5.22~5.58 | 7,231 | 註 4 |
| | GOTLI Group USD Corporate Bonds | 〃 | 〃 | - | 4,862 | 5.31~6.02 | 4,771 | 註 4 |
| | United States Steel Corporation USD Bonds | 〃 | 〃 | - | 5,642 | 6.26~6.94 | 5,554 | 註 4 |
| | Qualcomm Incorporated USD Corporate Bond | 〃 | 〃 | - | 6,610 | 4.21~5.32 | 6,326 | 註 4 |
| | AT&T American Telephone & Telegraph U.S. Dollar Corporate Bonds | 〃 | 〃 | - | 3,050 | 5.26~5.33 | 2,842 | 註 4 |
| | Verizon Communications Inc. USD Corporate Bonds | 〃 | 〃 | - | 3,030 | 5.00~5.14 | 2,730 | 註 4 |
| | Apple USD Corporate Bonds | 〃 | 〃 | - | 6,807 | 4.37 | 5,979 | 註 4 |
| | Berkshire Hathaway Financial Corporation USD Corporate Bonds | 〃 | 〃 | - | 6,860 | 4.41~5.65 | 6,290 | 註 4 |
| | ORIX Corporation USD Corporate Bonds | 〃 | 〃 | - | 5,127 | 4.55 | 4,861 | 註 4 |
| | Macquarie Bank Limited USD Corporate Bonds | 〃 | 〃 | - | 6,597 | 4.58~4.95 | 6,552 | 註 4 |
| | 3.25% U.S. Treasury Dollar Bonds | 〃 | 〃 | - | 7,381 | 3.89~4.29 | 6,658 | 註 4 |
| | The Estée Lauder Companies USD Corporate Bond | 〃 | 〃 | - | 1,546 | 5.50 | 1,564 | 註 4 |
| | Boeing Co. USD Corporate Bonds | 〃 | 〃 | - | 4,896 | 4.92~5.94 | 4,851 | 註 4 |
| | UBS London USD Corporate USD Corporate Bonds | 〃 | 〃 | - | 1,653 | 4.77 | 1,627 | 註 4 |
| | UnitedHealth Group Inc. USD Corporate Bonds | 〃 | 〃 | - | 6,350 | 4.94~5.05 | 5,782 | 註 4 |
| | Eli Lilly and Company USD Corporate Bonds | 〃 | 〃 | - | 6,655 | 4.39~4.56 | 6,427 | 註 4 |
| | Pfizer Pharmaceutical Co., Ltd. USD Corporate Bonds | 〃 | 〃 | - | 3,085 | 4.87 | 2,829 | 註 4 |
| | Nomura International Capital Pte Ltd USD Corporate Bonds | 〃 | 〃 | - | 6,608 | 4.91~5.12 | 6,288 | 註 4 |
| | Starbucks Corporation USD Corporate Bonds | 〃 | 〃 | - | 4,309 | 5.36 | 4,025 | 註 4 |
| | Meta Platform Company USD Corporate Bonds | 〃 | 〃 | - | 5,289 | 5.08~5.13 | 4,931 | 註 4 |
| | Goldman Sachs Financial Services International Ltd. Stepped Rate USD Corporate Bonds | 〃 | 〃 | - | 3,278 | 4.95 | 3,150 | 註 4 |
| | NVIDIA Corporation USD Corporate Bonds | 〃 | 〃 | - | 2,323 | 4.54 | 2,154 | 註 4 |
| | Dell Corporation USD Corporate Bonds | 〃 | 〃 | - | 1,089 | 5.37 | 1,021 | 註 4 |

Note 1: The market value is calculated based on the share's closing market price on December 31, 2024 from Taiwan Stock Exchange.

Note 2: Since China Rebar Co., Ltd has applied for reorganization at the end of 2006, delisting at April 11, 2007, assessed that its value had been impaired, its book value was fully recognized as loss on valuation of financial asset in 2006.

Note 3: The fair value of foreign unlisted corporate equity investments are estimated using the market approach with reference to the net value of the investee company in its most recent financial statements of the invested company and based on the evaluation of similar companies and the operations of the investee company.

Note 4: None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

Note 5: None of the securities held at the end of the period were pledged.

Evertex Fabrinology Limited and Subsidiaries

Markedable Securities Held (Do not include investment in subsidiaries)

January 1 to December 31, 2024

Table 3

Unit: Unless otherwise noted, it is NT$ thousand

| NO. (Note1) | Company name | Counterparty | Relationship(Note2) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Account | Amount | Payment Terms | % of Total Sales or Assets (Note 3) |
| 0 | The Company | Tung Fa Liu Neng Co., Ltd. | Parent company to subsidiary | Guarantees | $ 50,000 | — | 4.12% |
| 1 | Subsidiary | Evertex Fabrinology Limited | Subsidiary to parent company | Cash dividends | 3,801 | — | 0.31% |

Note1：The business information between the parent company and the subsidiaries shall be indicated in the serial number column respectively, and the numbering method is as follows:

(1) Fill in 0 for the parent company.

(2) The subsidiaries shall be numbered sequentially starting with the Arabic numeral 1 according to the company.

Note2：There are three kinds of relationship with the trader, which can be marked: (if it is the same transaction between parent and subsidiaries or subsidiaries to subsidiaries, there is no need to repeat disclosure.For example: parent company to subsidiary transaction, if the parent company has been disclosed, the subsidiary part does not need to be repeatedly disclosed; for the transactions of a subsidiary to a subsidiary, if one of the subsidiaries has been disclosed, the other subsidiary need not be repeatedly disclosed):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note3：Calculation of the ratio of transaction amount to total consolidated income or total assets, in the case of asset-liability items, it shall be calculated according to the balance at the end of the period to the total consolidated assets; in the case of profit and loss items, it shall be calculated according to the accumulated amount in the period to the total consolidated income.

Note4：The important transactions in this table can be determined by the company based on the principle of material.

Note5：At the time of the preparation of the consolidated financial statements, it has been consolidated and written off.

Evertex Fabrinology Limited and Subsidiaries

Name, Locations, And Other Informations of Investees On Which The Company Exercises Siginficant Infulence

January 1, 2024 to December 31, 2024

Table 4

Unit: Unless otherwise noted, it is NT$ thousand

| Investor Company | Investee Company | Location | Main Business and Products | Investment Amount | | Held at the end of the period | | | Net Income (Loss) of the Investee (Note 1 and 2) | Share of Profit (Note1 and 2) | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | December 31, 2024 | December 31, 2023 | Number of Shares | % | Carrying Amount (Note1 and 2) | | | |
| The Company | Tung Fa Liu Neng Co., Ltd. | Taoyuan City | Self-usage power generation equipment utilizing renewable energy industry | $ 46,000 | $ 46,000 | 4,600,000 | 100 | $ 52,728 | $ 4,048 | $ 4,048 | 子公司 |

Note1：The investment gains and losses of the subsidiaries accounted are calculated based on the financial statements that have been audited.

Note2：Eliminated from the consolidated financial statements.

Note3：None of the marketable securities held at the end of the period listed in the table above were pledged as collateral.

Evertex Fabrinology Limited

Information of Major Shareholders

December 31,2023

Table 5

| Name of Major Shareholder | Shares | |
|---|---|---|
| | Number of Shares | Percentage of Ownership (%) |
| Chung-Fa Investment Co., Ltd. | 9,055,566 | 10.55% |
| Da-Fa Investment Co., Ltd. | 8,387,179 | 9.77% |
| Chih-Ming Yeh | 4,540,478 | 5.29% |

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.