Stock Code：1470

# Evertex Fabrinology Limited

## Parent Company Only Financial Statements
## For the Years Ended December 31, 2024 and 2023
## And Independent Auditors' Report

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# INDEPENDENT AUDITORS' REPORT

Evertex Fabrinology Limited:

## Opinion

The entity's balance sheets of Evertex Fabrinology Limited of December 31, 2024 and 2023, and the entity consolidated income statement, statement of changes in entity equity, statement of entity cash flows and notes to entity's financial statements (including the summary of major accounting policies) from January 1 to December 31, 2024 and 2023, have been checked by the accountant.

In the opinion of the accountant, the above entity's financial statements have been prepared in all major respects in accordance with the financial report compilation standards for securities issuers, which are sufficient to express the entity's financial position of Evertex Fabrinology Limited on December 31, 2024 and 2023, and entity's financial performance and entity's cash flows from January 1 to December 31, 2024 and 2023.

## Basis of Audit Opinion

The accountant had carried out the inspection in accordance with the rules for checking the financial statements and the auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility for the accountant's examination of the entity's financial statements. In accordance with the professional ethics of accountants, the personnel who are subject to the independence standards of the accounting firm have maintained their independence from Evertex Fabrinology Limited and performed other responsibilities of the standards. The accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

The key audit items mean the most important items for the inspection of the entity's financial statements of Evertex Fabrinology Limited in 2024 according to the professional judgment of the accountant. These items have been responded to in the process of examining the entity's financial statements as a whole and forming audit opinions, and the accountant does not comment on these items separately.

The key audit matter for checking the entity's financial statements of Evertex Fabrinology Limited in 2024 are described as follows:

<u>Authenticity of customers' sales income under specific credit conditions</u>

As EVERTEX FABRINOLOGY LTD. is a 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 Company's revenue from sales to specific customers was NT$304,359 thousand in 2024, accounting for 39% of the Company'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.

**Responsibilities of Management and Governance Unit to entity's Financial Statements**

The responsibility of management is to prepare properly expressed entity's financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls relating to the preparation of the entity's financial statements to ensure that the entity's financial statements do not contain material misrepresentations caused by fraud or errors.

In preparing the entity's financial statements, the responsibility of management also includes the assessment of the ability of Evertex Fabrinology Limited to continue to operate,the disclosure of related items, and the adoption of the accounting basis for continued operation, unless the management intends to liquidate the Evertex Fabrinology Limited or cease business, or there is no practical alternative other than liquidation or closure.

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

**Responsibility of Accountant to Check Entity's Financial Statements**

The purpose of the accountant to check the entity's financial statements is to obtain reasonable assurance as to whether there are material misrepresentations caused by fraud or error in the entity's financial statements as a whole, and to issue an audit report. Reasonable certainty is a high degree of certainty, but audits carried out in accordance with audit standards do not guarantee that material misrepresentations in the entity's financial statements will be identified. False expression may be caused by fraud or error. It is considered significant if the individual amounts or remittances misrepresented can be reasonably expected to affect the economic decisions made by the users of the entity's 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. Based on the audit evidence obtained, draw a conclusion as to whether there is significant uncertainty about the appropriateness of the management's

adoption of the accounting basis of continuing operations and whether there is significant uncertainty about the events or circumstances that may give rise to significant doubts about the ability of the Evertex Fabrinology Limited to continue to operate. If the accountant considers that there is material uncertainty in such events or circumstances, the accountant shall, in the audit report, remind users of the entity's financial statements to pay attention to the relevant disclosures of the entity's financial statements, or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the inspection report. However, future events or circumstances may cause the Evertex Fabrinology Limited have no ability to continue to operate.

5. Assess the overall expression, structure and content of the entity's financial statements (including related notes), and whether there are related transactions and events expressed in the entity's financial statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent individuals within the Evertex Fabrinology Limited to express the opinion on entity's financial statements. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming audit opinions of Evertex Fabrinology Limited.

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 items of communication with the governance unit, the accountant decides on the key items for checking the consolidated financial statements of Evertex Fabrinology Limited in 2024. The accountant describes these items in the audit report, unless the law does not allow public disclosure of specific items, or in rare cases, the accountant decides not to communicate specific items in the audit report, because it can be reasonably expected that the negative impact of this communication is greater than the promotion of the public interest.

The engagement partners on the audits resulting in this independent auditors' report are Meng-Guei You and Keng-Shi Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2025

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

| Code | Assets | December 31,2024 Amount | % | December 31,2023 Amount | % |
|---|---|---|---|---|---|
| | Current Assets | | | | |
| 1100 | Cash and cash equivalents (Note 4 and 6) | $ 287,648 | 24 | $ 197,977 | 18 |
| 1110 | Current financial assets at fair value through profit or loss (Note 4 and 7) | 19,023 | 2 | 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（Note 4、9、29） | 69,500 | 6 | 149,329 | 13 |
| 1150 | Notes receivable (Note 4, 10 and 22) | 2,476 | - | 2,349 | - |
| 1170 | Accounts receivable (Note 4, 10 and 22) | 64,434 | 6 | 51,539 | 5 |
| 1200 | Other receivables(Note 4 and 10) | 1,993 | - | 1,205 | - |
| 130X | Current inventories(Note 4 and 11) | 162,748 | 14 | 140,608 | 13 |
| 1479 | Other current assets(Note 12 and 28) | 23,463 | 2 | 13,486 | 1 |
| 11XX | Total current assets | 631,285 | 54 | 623,944 | 56 |
| | Non-current Assets | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 4 and 8) | 6,578 | 1 | 4,592 | 1 |
| 1535 | Current financial assets at amortization（Note 4 and 9） | 110,540 | 9 | 45,226 | 4 |
| 1550 | Investments accounted for using equity method (Note 4 and 13) | 52,728 | 5 | 52,481 | 5 |
| 1600 | Property, plant and equipment (Note 4、14 and 29) | 323,509 | 27 | 345,756 | 31 |
| 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 23) | 2,017 | - | 2,573 | - |
| 1915 | Prepaid equipment (Prepayments for business facilities) | 5,369 | - | 4,695 | 1 |
| 1920 | Guarantee deposits paid (Note 4) | 2,662 | - | 2,661 | - |
| 1975 | Net defined benefit asset（Note 4 and 20） | 3,890 | - | 3,368 | - |
| 1990 | Other non-current Assets（Note 12） | 32,631 | 3 | 10,225 | 1 |
| 15XX | Total non-current Assets | 546,663 | 46 | 482,076 | 44 |
| 1XXX | Total assets | $ 1,177,948 | 100 | $ 1,106,020 | 100 |
| Code | Liabilities and Equity | | | | |
| | Current Liabilities | | | | |
| 2130 | Current contract liabilities (Note 4 and 22) | $ 8,833 | 1 | $ 8,497 | 1 |
| 2150 | Notes payable (Note 17 ) | 15,120 | 1 | 8,133 | 1 |
| 2160 | Note payables to related parties(Note 17 and 28) | 2,439 | - | 1,212 | - |
| 2170 | Account payable(Note 17) | 19,288 | 2 | 19,616 | 2 |
| 2180 | Account payables to related parties(Note 17 and 28) | 1,312 | - | 593 | - |
| 2219 | Other payables(Note 18) | 68,427 | 6 | 62,405 | 5 |
| 2230 | Income tax payable(Note 4 and 23) | 16,572 | 2 | 7,565 | 1 |
| 2280 | Current lease liabilities (Note 4、15 and 28) | 3,463 | - | 3,992 | - |
| 2399 | Other current liabilities(Note 4 and 19) | 914 | - | 777 | - |
| 21XX | Total current liabilities | 136,368 | 12 | 112,790 | 10 |
| | Non-current Liabilities | | | | |
| 2570 | Deferred tax liabilities (Note 4 and 23) | 3,352 | - | 1,451 | - |
| 2580 | Non-current lease liabilities (Note 4 、15 and 28) | 3,282 | - | 6,459 | 1 |
| 2640 | Net defined benefit liability, non-current (Note 4 and 20) | - | - | - | - |
| 25XX | Total Non-current Liabilities | 6,634 | - | 7,910 | - |
| 2XXX | Total Liabilities | 143,002 | 12 | 120,700 | 11 |
| | Equity(Note 21) | | | | |
| 3110 | Capital stock | 857,670 | 73 | 857,670 | 77 |
| 3200 | Capital surplus | 7,317 | 1 | 7,317 | 1 |
| | Retained earnings | | | | |
| 3310 | Appropriated as legal capital reserve | 64,147 | 5 | 59,225 | 5 |
| 3320 | Appropriated as special capital reserve | 1,650 | - | 3,364 | - |
| 3350 | Unappropriated earnings | 102,534 | 9 | 59,394 | 6 |
| 3300 | Total Retained earnings | 168,331 | 14 | 121,983 | 11 |
| 3400 | Other equity | 1,628 | - | ( 1,650 ) | - |
| 3XXX | Total equity | 1,034,946 | 88 | 985,320 | 89 |
| | Total Liabilities and equity | $ 1,177,948 | 100 | $ 1,106,200 | 100 |

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

| Code | | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| | Operating Revenue（Note 4 and 22） | | | | |
| 4100 | Sales Revenue | $ 640,710 | 82 | $ 500,407 | 78 |
| 4600 | Service Revenue | 136,578 | 18 | 143,426 | 22 |
| 4000 | Total Operating Revenue | 777,288 | 100 | 643,833 | 100 |
| | Operating Cost（Note 11、22 and 28） | | | | |
| 5110 | Cost of sales | 377,197 | 48 | 306,848 | 48 |
| 5600 | Cost of services | 206,848 | 27 | 213,742 | 33 |
| 5000 | Total Operating Cost | 584,045 | 75 | 520,590 | 81 |
| 5900 | Gross profit from perations | 193,243 | 25 | 123,243 | 19 |
| | Operating Expenses (Note 10 and 22) | | | | |
| 6100 | Selling Expenses | 79,472 | 10 | 67,191 | 10 |
| 6200 | Administrative expenses | 31,376 | 4 | 28,568 | 5 |
| 6450 | Expected Credit Gain | 421 | - | ( 147) | - |
| 6000 | Total Operating Expenses | 111,269 | 14 | 95,612 | 15 |
| 6500 | Gain on disposal of property, plan and equipment（Note22） | 519 | - | 1,094 | 1 |
| 6900 | Operating income | 82,493 | 11 | 28,725 | 5 |
| | Non-operating income and expenses(Note 4、22 and 28) | | | | |
| 7100 | Interest income | 12,824 | 2 | 6,056 | 1 |
| 7190 | Other income | 3,282 | - | 4,739 | 1 |
| 7020 | Other gains and losses | 17,225 | 2 | 12,511 | 2 |
| 7070 | Share of Profit and Loss of Subsidiaries Using Equity Method | 4,048 | 1 | 4,223 | - |
| 7050 | Finance cost | ( 183) | - | ( 135) | - |

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| Code | | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| 7000 | Non-operating income and expenses | 37,196 | 5 | 27,394 | 4 |
| 7900 | Profit from continuing operations before tax Income before tax | 119,689 | 16 | 56,119 | 9 |
| 7950 | Tax expense (Note 4 and 23) | ( 22,380 ) | ( 3 ) | ( 6,773 ) | ( 1 ) |
| 8200 | Profit from continuing operations | 97,309 | 13 | 49,346 | 8 |
| | Other comperhensive income | | | | |
| | Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| 8311 | Losses on remeasurements of defined benefit plans (Note 20) | 240 | - | ( 161 ) | - |
| 8316 | Unrealized Gains from investments in equity instruments measured at fair value through other comprehensive income(Note 21) | 1,870 | - | 1,714 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(Note 23) | ( 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 | 4 |
| | Basic earnings per share(Note 24) | | | | |
| 9710 | Basic earnings per share | $ 1.13 | | $ 0.58 | |
| 9810 | Diluted earnings per share | $ 1.13 | | $ 0.57 | |

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
Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

| Code | | Ordinary share | Capital surplus | Retained Earnings: Legal reserve | Retained Earnings: Special reserve | Retained Earnings: Unappropriated retained earnings (accumulated deficit) | Other equity: 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 2023earnings（Note 21） | | | | | | | |
| 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 comprehensive income of 2023 | - | - | - | - | ( 129 ) | 1,714 | 1,585 |
| D5 | Total comprehensive income of 2023 | - | - | - | - | 49,217 | 1,714 | 50,931 |
| T1 | Other (Note 21) | - | - | - | - | - | - | - |
| Z1 | Balance on December 31, 2023 | 857,670 | 7,317 | 59,225 | 3,364 | 59,394 | ( 1,650 ) | 985,320 |
| | Appropriation of the 2021 earnings（Note 21） | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 4,922 | - | ( 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 comprehensive income of 2024 | - | - | - | - | 192 | 1,870 | 2,062 |
| D5 | Total comprehensive income of 2024 | - | - | - | - | 97,501 | 1,870 | 99,371 |
| T1 | Other (Note 21) | - | - | - | - | ( 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
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 | Profit before Tax | $ 119,689 | $ 56,119 |
| A20010 | Income Expense Item | | |
| A20100 | Depreciation Expense | 46,236 | 46,036 |
| 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 | 183 | 135 |
| A21200 | Interest income | ( 12,824) | ( 6,056) |
| A21300 | Dividend income | ( 1,489) | ( 3,027) |
| A22400 | Share of (profit) and loss of subsidiary accounted for under the equity method | ( 4,048) | ( 4,223) |
| A22500 | Loss (gain) on disposal of property, plan and equipment | ( 519) | ( 1,094) |
| A23800 | Loss (gain) on Impairment loss on non-financial assets | 641 | ( 2,028) |
| A24100 | Unrealized foreign exchange loss (gain) | ( 8,980) | 4,351 |
| 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 | ( 13,062) | 1,069 |
| A31180 | Decrease (increase) in other receivable | ( 5) | ( 3) |
| A31200 | Decrease (increase) in inventories | ( 22,781) | 55,418 |
| A31240 | Decrease (increase) in other current assets | ( 9,977) | 14,906 |
| A31250 | Decrease (increase) in net defined benefit assets | ( 282) | ( 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 |

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| Code | | 2024 | 2023 |
|---|---|---|---|
| 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 | ( 11,880) | ( 1,408) |
| A32230 | Increase (decrease) in other current liabilities | 137 | ( 3) |

| | | | |
|---|---|---|---|
| A32240 | Increase (decrease) in net defined benefit liability | - | - |
| A33000 | Cash inflow (outflow) generated from operations | 113,797 | 151,094 |
| A33100 | Interest received | 734 | 485 |
| A33300 | Interest paid | ( 183 ) | ( 135 ) |
| A33500 | Income taxes refund (paid) | ( 10,964 ) | ( 15,536 ) |
| AAAA | Net cash flows from (used in) operating activities | 103,384 | 135,908 |
| | Cash flows from (used in) investing activities | | |
| B00020 | Disposal of financial assets measured at fair value through other comprehensive profit or loss | 10,170 | - |
| B00040 | Refund of capital reduction of financial assets at fair value through other comprehensive income | ( 60,365 ) | ( 82,325 ) |
| B00050 | Disposal of capital reduction of financial assets at fair value through other comprehensive income | 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 ) | ( 30,527 ) |
| B02800 | Disposal of property, plant and equipment | 519 | 1,094 |
| B03700 | Increase in refundable deposits | ( 1 ) | ( 430 ) |
| B03800 | Decrease in Guarantee deposits paid | - | - |
| B04500 | Acquisition of intangible assets | ( 64 ) | - |
| B06700 | Increase in Other non-current Assets | ( 22,406 ) | ( 7,053 ) |
| B07100 | Increase in prepayments for business facilities | ( 2,125 ) | ( 3,492 ) |
| B07500 | Interest received | 11,244 | 4,373 |
| B07600 | Dividends received | 1,489 | 3,027 |
| B07600 | Dividends received from subsidiary company | 3,801 | 3,299 |
| BBBB | Net cash flows from (used in) investing activities | 37,061 | ( 75,059 ) |
| | Cash flows from (used in) financing activities | | |
| 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 | ( 53,894 ) | ( 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 | 89,671 | 14,715 |
| E00100 | Cash and cash equivalents at beginning of period | 197,977 | 183,262 |
| E00200 | Cash and cash equivalents at end of period | $ 287,648 | $ 197,977 |

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

Notes to 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 Company") 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 Company is engaged in the business of dyeing and finishing all kinds of textile products. In April 1996, the Company 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 Company's shares have been listed and traded on the Taiwan Stock Exchange since May 21, 1999.

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

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

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

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

(I) International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretation Committee (SIC) (hereinafter referred to as ”IFRSs”), which were approved and issued by the Financial Supervisory Commission (hereinafter referred to as FSC), have been applied for the first time, the application of the revised IFRSs approved and issued by the FSC will not result in the material change in the company's accounting policy.

(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) |

Note：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.

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

(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" | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 "Contracts involving nature-dependent electricity" | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 "Asset sales or contributions between investors and their affiliates or joint ventures" | 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 Disclosures in Financial Statements" | January 1, 2027 |
| "Subsidiaries not publicly accountable: Disclosure" | January 1, 2027 |

Note 1： 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". The main changes in this standard include:

˙The income statement should divide income and expense items into operating, investment, financing, income tax and closed unit types.

˙The profit and loss statement should present operating profit and loss, pre-tax profit and loss before financing, and the subtotal and total of profit and loss.

˙Provide guidance to strengthen aggregation and segmentation requirements: The company must identify assets, liabilities, equity, income, expenses, losses and cash flows arising from individual transactions or other events, and classify and summarize them based on common characteristics, so that each individual line item presented in the main financial statements has at least one similar characteristic. Items with non-similar characteristics should be broken down in the main financial statements and notes. The company will only mark these items as "other" when it cannot find a more informative mark.

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

In addition to the above-mentioned impacts, as of the date of issuance of this individual financial report, the Company continues to evaluate other impacts of the above-mentioned amendments to the standards and interpretations on the financial position and financial performance. The relevant impacts will be disclosed when the evaluation is completed.

## IV. <u>Summary Statement of Major Accounting Policies</u>

(I) Compliance Statement

This individual 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.

When preparing the individual financial report, the company adopts the equity method to deal with the investment subsidiary. In order to make the current year's profit and loss, other consolidated profit and loss and equity in the individual financial report the same as those vested in the owner of the Company in the consolidated financial statements of the Company. Some differences in accounting treatment on an individual basis and on a consolidated basis are adjustments to "investment using equity method", "profit and loss share of subsidiaries using equity method", "other comprehensive profit and loss share of subsidiaries using equity method" and related equity items.

(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. Liabilities held primarily for transaction purposes;
2. Liabilities due within 12 months after the balance sheet date, and
3. Liabilities that cannot be unconditionally deferred to at least 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) Foreign Currency

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) is recognized at the rates of exchange prevailing at the dates of the transactions.

Foreign currency monetary items are converted at the closing exchange rate on each balance sheet date. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date, such exchange differences are recognized in profit or loss in the period in which they arise.

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

Non monetary items that are measured in terms of historical cost in foreign currencies use exchange rates prevailing on tradi ng day, not retranslated.

(V) Inventory

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or ne t 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 cos ts of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

(VI) Invest the subsidiary

The company adopts the equity method to deal with the investment in subsidiaries.

Subsidiary refers to the entity under the control of the company.

Under the equity method, the investment is originally recognized at cost, and the future book amount increases or decreases with the subsidiary profit and loss and other comprehensive profit and loss shares and profit distribution enjoyed by the company. In addition, changes in the company's ot her rights and interests of subsidiaries are recognized according to the proportion of shareholdings.

When the Company’s share of losses in a subsidiary equals or exceeds its equity in the subsidiary (including the book value of the subsidiary under the equity method and other long term equity that is essentially part of the Company’s net investment in the subsidiary), it is continued to recognize losse s based on shareholding ratio.

When assessing the impairment, the company considers the cash-generating unit as a whole in the financial report and compares its recoverable amount with the carrying amount. Subsequently, if the recoverable amount of the asset increases, the reversal of the impairment loss shall be recogniz ed as an advantage, provided that the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset after amortization if the i mpairment loss is not recognized.

(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 l ess 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 leas t 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 impair ment 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 asset

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 Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, 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 to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Corporate assets are allocated to the individual CGUs on a reasonable and consistent basis of allocation.

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 CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment subsequently loss is reversed, the carrying amount of the asset or CGU 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 for the asset or CGU 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 company 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) Measure category

The types of financial assets held by the Company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, investments in debt instruments at fair value through other consolidated income and equity instruments at fair value through other consolidated profit or loss.

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 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 profit 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. Please refer to Note 27 for the method of determining fair value.

B. Financial Assets Measured at Amortized Cost

If the company's investment financial assets meet the following two conditions at the same time, it will be classified as Financial Assets Measured at Amortized Cost:

a. Held under a business model for the purpose of holding financial assets to collect contractual cash flows; and

b. The terms of the contract generate cash flows on a specific date, which are solely interest on the payment of principal and the amount of principal outstanding.

Financial Assets Measured at Amortized Cost (Including cash and approximately equivalent cash, financial assets measured at amortized cost, financial assets measured at amortized accounts receivable and guarantee deposits paid) 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.

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 company 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.

Equity instrument investments measured at fair value through other comprehensive profit and loss are measured at fair value, and subsequent fair value changes are reported in other comprehensive profit or loss and accumulated in other equity. At the time of investment disposition, the accumulated profit and loss is transferred directly to the retained surplus and is not reclassified as profit or loss.

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 company is established, unless the dividend clearly represents the recovery of part of the investment cost.

(2) Impairment of Financial Assets

At each balance sheet date, the company assesses the impairment 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 Company determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Company:

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 Company 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.

(3) Exclusion of Financial Assets

The company excludes financial assets only when contractual rights from the cash flow of financial assets expire, or when financial assets have been transferred and almost all risks and rewards of ownership of such assets have been transferred to other enterprises.

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

2. 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 the 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 company 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 Company 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 Company 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.

(XII) Lease

The company 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 Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1. The company 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 company is the lessee

Except for lease payments for low-value target asset leases and short-term leases with applicable exemptions, which are recognized as expenses during the lease term on a straight-line basis, other leases are recognized as right-to-use assets and lease liabilities at the lease commencement date.

The right-to-use asset is originally measured at cost (including the original measurement amount of the lease liability), followed by the cost less accumulated depreciation and accumulated impairment losses, and adjusts the re-measurement of the lease liability. The right-to-use assets are separately expressed in the individual balance sheet.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

The lease liability is originally measured by the present value of the lease payment (including 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, the lease liability is measured at amortized cost basis using the effective interest method, and the interest expense is apportioned over the lease period. If a change in the lease period results in a change in the future leases payment, the company measures the lease liability and adjusts the use right asset relatively, but if the carrying amount of the use right asset has been reduced to zero, the remaining re-measure amount is recognized in profit or loss. Lease liabilities are expressed separately in the individual balance sheet.

(XIII) Government Subsidy

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

Government subsidy related to revenue is recognized as reducing of cost on a systematic basis during the period in which the related costs are recognized as expenses by the 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 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 Benefit

1. Short-term Employee Benefit

Liabilities related to short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-retirement Benefit

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 benefit retirement plan (including service cost, net interest and r re-measure) is an actuary based on the projected unit benefit method. Service costs (including current service costs and net interest on net defined benefit liabilities are recognized as employee benefit expenses when incurred. Re-measures (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.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is

(XV) Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current Income Tax

According to the Income Tax Law in the Taiwan, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

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 Company 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. <u>Main Sources of Uncertainty about Major Accounting Judgements, Estimates and Assumptions</u>

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.

When developing significant accounting estimates, the company will take into account the possible impact of the economic environment on cash flow estimates, growth rates, discount rates, profitability and other relevant major accounting estimates. The management will continue to review estimates and Basic assumptions.

The accounting policies, estimates and basic assumptions adopted by the Company have been evaluated by the Company's management and there are no significant uncertainties in accounting judgments, estimates and assumptions.

## VI. Cash and Cash Equivalents

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash | $ 213 | $ 302 |
| Bank Check and Current Deposit | 136,624 | 118,733 |
| Cash Equivalents | | |
| Bank fixed deposit with original maturity date within 3 months | 150,811 | 78,942 |
| | $ 287,648 | $ 197,977 |

The market interest rates for bank demand deposit and bank fixed deposit with original maturity date within 3 month 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 | | |
| Domestic Investment | | |
| Listed Stocks | $ - | $ 10,286 |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| 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 | $ 69,000 | $ 139,685 |
| Restricted assets | 500 | 500 |
| Foreign investment | | |
| U.S. government debt | - | 6,087 |
| Corporate bonds | - | 3,057 |
| | $ 69,500 | $ 149,329 |
| 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 | 1.7% | 1.45%～4.4% |
| Restricted assets | 1.525% | 1.4% |

Restricted assets are time deposits that purchase in as security from firm. Please refer to Note 29.

(II) For information related to the Company'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, affiliated enterprises and joint venture interests)".

(III) The company 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 company 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 company 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 | $ 65,105 | $ 51,791 |
| Minus: Allowance for Loss | ( 671 ) | ( 252 ) |
| | $ 64,434 | $ 51,539 |
| Other Receivable | | |
| Interest Receivable | $ 1,985 | $ 1,202 |
| Others | 8 | 3 |
| | $ 1,993 | $ 1,205 |

(I) Note Receivable and Account Receivable

Before accepting a new customer, the Company 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 Company 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 Company'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 Company 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 Company. For example, the debtor is in liquidation. The Company continues to engage in enforcement activity, and the recovered amounts are recognized as profit or loss.

1. The company 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) | - | - |

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| | Within 120 days of account opening | Within 120 days of account opening |
| 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 | $ 42,886 | $ 19,971 | $ 1,913 | $ 70 | $ 241 | $ 16 | $ - | $ - | $ 8 | $ 65,105 |
| Loss allowance (Lifetime ECLs) | ( 49 ) | ( 306 ) | ( 154 ) | ( 20 ) | ( 122 ) | ( 12 ) | - | - | ( 8 ) | ( 671 ) |
| Amortized cost | $ 42,837 | $ 19,665 | $ 1,759 | $ 50 | $ 119 | $ 4 | $ - | $ - | $ - | $ 64,434 |

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 | $ 35,442 | $ 13,877 | $ 2,159 | $ - | $ 219 | $ 94 | $ - | $ - | $ - | $ 51,791 |
| Loss allowance (Lifetime ECLs) | ( 23 ) | ( 16 ) | ( 63 ) | - | ( 85 ) | ( 65 ) | - | - | - | ( 252 ) |
| Amortized cost | $ 35,419 | $ 13,861 | $ 2,096 | $ - | $ 134 | $ 29 | $ - | $ - | $ - | $ 51,539 |

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 27.d for details of the Company's concentration of credit risk of accounts receivable as of December 31, 2024 and 2023.

(II) Other receivables

Other receivables are mainly subsidies and interest receivable the Company's policy is to trade solely by reputable company. The Company 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 Company 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 rebound in the net realizable value of inventories was mainly due to the increase in the selling prices of inventories.

## XII. Other assets

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current | | |
| Payment in advance | $ 13,448 | $ 5,243 |
| Prepaid expense | 4,786 | 6,034 |
| Tax credit | 3,181 | 1,810 |
| Provisional payment | 2,048 | 399 |
| | $ 23,463 | $ 13,486 |
| | | |
| Non-current | | |
| Long-term Prepayments | $ 32,631 | $ 10,225 |

## XIII. Investment Using Equity Method

Investment in Subsidiaries

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Tung Fa Liu Neng Co., Ltd. | $ 52,728 | $ 52,481 |

| | Ownership Interest and Percentage of Voting Rights | |
|---|---|---|
| Name of Subsidiary | December 31, 2024 | December 31, 2023 |
| Tung Fa Liu Neng Co., Ltd. | 100% | 100% |

The share of profits and losses and other consolidated profits and losses of subsidiaries using the equity method in 2024 and 2023 are recognized on the basis of the financial statements audited by accountants of each subsidiary in the same period.

## 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 | $ 426,350 | $ 6,574 | $ 230,922 | $ 1,180,360 |
| Additions | - | 856 | 15,332 | - | 2,157 | 18,345 |
| Disposals | - | - | ( 3,848 ) | ( 1,247 ) | ( 100 ) | ( 5,195 ) |
| Reclassificatio（Remark） | - | - | 1,451 | - | - | 1,451 |
| Balance on December 31,2024 | $ 174,044 | $ 343,326 | $ 439,285 | $ 5,327 | $ 232,979 | $ 1,194,961 |
| Accumulated depreciation | | | | | | |
| Balance on January 1, 2024 | $ - | $ 305,609 | $ 350,951 | $ 6,039 | $ 172,005 | $ 834,604 |
| Depreciation expense | - | 5,079 | 25,915 | 356 | 10,693 | 42,043 |
| Disposals | - | - | ( 3,848 ) | ( 1,247 ) | ( 100 ) | ( 5,195 ) |
| Balance on December 31,2024 | $ - | $ 310,688 | $ 373,018 | $ 5,148 | $ 182,598 | $ 871,452 |
| Net balance on December 31,2024 | $ 174,044 | $ 32,638 | $ 66,267 | $ 179 | $ 50,381 | $ 323,509 |
| Cost | | | | | | |
| Balance on January 1, 2023 | $ 174,044 | $ 342,240 | $ 422,000 | $ 7,674 | $ 199,894 | $ 1,145,852 |
| Additions | - | 230 | 19,633 | - | 9,148 | 29,011 |
| Disposals | - | - | ( 16,183 ) | ( 1,100 ) | ( 382 ) | ( 17,665 ) |
| Reclassificatio（Remark） | - | - | 900 | - | 22,262 | 23,162 |
| Balance on December 31,2023 | $ 174,044 | $ 342,470 | $ 426,350 | $ 6,574 | $ 230,922 | $ 1,180,360 |
| Accumulated depreciation | | | | | | |
| Balance on January 1, 2023 | $ - | $ 298,897 | $ 342,014 | $ 6,577 | $ 162,406 | $ 809,894 |
| Depreciation expense | - | 6,712 | 25,120 | 562 | 9,981 | 42,375 |
| Disposals | - | - | ( 16,183 ) | ( 1,100 ) | ( 382 ) | ( 17,665 ) |
| Balance on December 31,2023 | $ - | $ 305,609 | $ 350,951 | $ 6,039 | $ 172,005 | $ 834,604 |
| Net balance on December 31,2023 | $ 174,044 | $ 36,861 | $ 75,399 | $ 535 | $ 58,917 | $ 345,756 |

Remark：The balance is transferred from the prepaid equipment payment.

The company 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 company 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 | 5~13 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 |

The amount of property, plant and equipment that the Company sets pledge as loan guarantee, please refer to Note 29.

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

The Company leases buildings for the use of offices with lease term of 3~5 years. The Company 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 Company's leases of certain photocopiers qualify as low-value asset leases. The Company 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 |
| | |
| Accumulated amortization | |
| Balance on January 1, 2023 | $ 596 |
| Amortization expense | 77 |
| Balance on December 31,2023 | $ 673 |
| | |
| Net balance on December 31,2023 | $ 96 |

| | Computer software |
|---|---|
| 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. 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 Company has established financial risk management policies to ensure that all payables are repaid within the pre-agreed credit periods.

## XVIII. Other Payables

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Payables for salaries or bonuses | $ 42,761 | $ 32,982 |
| 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 (Note25) | 666 | 6,523 |
| Others | 11,267 | 10,652 |
| | $ 68,427 | $ 62,405 |

## XIX. Other Current Liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Receipts under custody | $ 523 | $ 548 |
| Refund Liabilities | 391 | 229 |
| | $ 914 | $ 777 |

## XX. Post-retirement Benefits Plan

(I) Determine the allocation plan

The pension system of the” Labor Pensions Regulation” applied by the company 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 company 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 company 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:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Value of Determined benefit Obligations | $ 6,901 | $ 7,134 |
| Fair Value of Plan Assets | ( 10,791 ) | ( 10,502 ) |
| Net Determined benefit(Assets) Liabilities | ($ 3,890 ) | ($ 3,368 ) |

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 Losses-Changes in Demographic 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 ) |

| | Current Value of Determined benefit Obligations | Fair Value of Plan Assets | Net Determined benefit(Assets) Liabilities |
|---|---|---|---|
| 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 ) |
| Compensation for Planned Assets (except for the amount included in net interest) | - | ( 947 ) | ( 947 ) |

| | Current Value of Determined benefit Obligations | Fair Value of Plan Assets | Net Determined benefit(Assets) Liabilities |
|---|---|---|---|
| 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 Company 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 company'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 company'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% |
| 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 years | 8.4 years |

## XXI. 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 surplus

| | 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 company, 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 (9).

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 June 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 |

he 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) |

## XXII. Net Income

### (I) Operating revenue

| | 2024 | 2023 |
|---|---|---|
| Segmentation of Customer Contract Revenue | | |
| Sales Revenue | | |
| —Cloth trading | $ 640,710 | $ 500,407 |
| Service Revenue | | |
| —Dyeing & Finishing | 136,578 | 143,426 |
| | $ 777,288 | $ 643,833 |

Contract balance

| | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|---|---|---|---|
| Notes Payable And Account Payable(Note 10) | $ 66,910 | $ 53,888 | $ 68,325 |
| 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 |

### (II) Other operating income and expenses

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

### (III) Interest Income

| | 2024 | 2023 |
|---|---|---|
| Bank deposit | $ 2,255 | $ 939 |
| Financial financing measured at amortized cost Produce | 10,569 | 5,117 |
| | $ 12,824 | $ 6,056 |

### (IV) Other Revenue

| | 2024 | 2023 |
|---|---|---|
| Dividend Revenue | | |

| | 2024 | 2023 |
|---|---|---|
| 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 | 423 |
| | $ 3,282 | $ 4,739 |

(V) Other Revenues and Losses

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

(VI) Financial Costs

| | 2024 | 2023 |
|---|---|---|
| Interest of Lease Liabilities | $ 183 | $ 135 |

(VII) Depreciation and amortization expenses

| | 2024 | 2023 |
|---|---|---|
| Property, plant and equipment | $ 42,043 | $ 42,375 |
| Right-of-use assets | 4,193 | 3,661 |
| Total | $ 46,236 | $ 46,036 |
| | | |
| Intangibal Assets | $ 77 | $ 95 |
| | | |
| Depreciation expenses are summarized by function | | |
| Operating Costs | $ 43,090 | $ 42,842 |
| Operating Expenses | 3,146 | 3,194 |
| | $ 46,236 | $ 46,036 |

| | 2024 | 2023 |
|---|---|---|
| Depreciation expenses are summarized by function | | |
| Operating Expenses | $ - | $ - |
| Management Expense | 77 | 95 |

| | | |
|---|---|---|
| | $ 77 | $ 95 |

(VIII) Employees' Benefit Expenses

| | 2024 | 2023 |
|---|---|---|
| Retirement Benefits (Note 20) | | |
| Determined Allocation Plan | $ 5,324 | $ 5,409 |
| Determined Benefit Plan | ( 44 ) | ( 51 ) |
| | 5,280 | 5,358 |
| Other Employee Benefits | 186,862 | 165,401 |
| Total Employees' Benefit Expense | $ 192,142 | $ 170,759 |
| | | |
| Summary by Function | | |
| Operating Costs | $ 119,899 | $ 108,418 |
| Operating Expenses | 72,243 | 62,341 |
| | $ 192,142 | $ 170,759 |

(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 individual 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 2023 and 2022 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 gain (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 ) |

## XXIII. 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 | $ 20,528 | $ 7,629 |
| Unappropriated earnings levy | ( 557 ) | ( 412 ) |
| | 19,971 | 7,217 |
| Deffered Income Tax | | |
| Arising in the Current Year | 2,409 | ( 444 ) |
| Income Tax Expenses Recognized in the Profit or Loss | $ 22,380 | $ 6,773 |

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

| | 2024 | 2023 |
|---|---|---|
| Income before Tax | $ 119,689 | $ 56,119 |
| Income Tax Benefits Calculated at Statutory Tax Rate for Net Loss before Tax | $ 23,938 | $ 11,224 |
| Benefit that cannot be deducted in tax from the loss | 760 | ( 2,514 ) |
| Tax-exempt income | ( 1,761 ) | ( 1,525 ) |
| Income tax adjustments on prior year | ( 557 ) | ( 412 ) |
| Income tax expense recognized in profit or loss | $ 22,380 | $ 6,773 |

(II) Income tax recognized in other comprehensive income

| | 2024 | 2023 |
|---|---|---|
| Deffered Income Tax | | |
| Generated during the year | | |
| －Number of Re-measurement of Determined Benefits | ($ 48 ) | $ 32 |

| | 2024 | 2023 |
|---|---|---|
| Income tax recognized in other comprehensive profit or loss | ($ 48) | $ 32 |

(III) Current Income Tax Assets and Liabilities

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Current Income Tax Liabilities | | |
| Income Tax Payable | $ 16,572 | $ 7,565 |

(IV) Deffered Income Tax Assets and Liabilities

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

Year2024

| | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Deffered Income Tax Assets | | | | |
| 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 | | | | |
| Temporary Differences | | | | |
| Unrealized Exchange Gain | $ - | $ 1,796 | $ - | $ 1,796 |
| Actual amount of retirement pension | 1,451 | 57 | 48 | 1,556 |
| | $ 1,451 | $ 1,853 | $ 48 | $ 3,352 |

Year 2023

| | Balance at Beginning of Year | Recognizedin the Profit and Loss | Recognized in Other Comperhensive Profit and Loss | Balance at Ending of Year |
|---|---|---|---|---|
| Deffered Income Tax Assets | | | | |

| | | | | |
|---|---|---|---|---|
| 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 | | | | |
| Temporary Differences | | | | |
| Actual amount of retirement pension | $ 1,437 | $ 46 | ($ 32 ) | $ 1,451 |

(V) Approval of Income Tax

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

XXIV. 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 |
|---|---|---|
| Basic/Diluted EPS Net income available to common shareholders | $ 97,309 | $ 49,346 |

Shares

Unit: thousand shares

| | 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 Company 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.

## XXV. Cash Flow Information

(I) Non-cash transactions

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

As of December 31, 2024 and 2023, the Company 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 18).

(II) Changes in liabilities arising from financing activities

Year2024

| | Balance on January 1,2024 | Cash Flows | Non-cash Changes | | | Others | Balance of December 31,2024 |
|---|---|---|---|---|---|---|---|
| | | | New Leases | Lease modification | Amortization of Interest Expenses | | |
| Lease Liabilities | $ 10,451 | ( $ 4,149 ) | $ 696 | ( $ 253 ) | $ 183 | ( $ 183 ) | $ 6,745 |

Year 2023

| | Balance on January 1,2024 | Cash Flows | Non-cash Changes | | | Others | Balance of December 31,2024 |
|---|---|---|---|---|---|---|---|
| | | | New Leases | Lease modification | Amortization of Interest Expenses | | |
| Lease Liabilities | $ 3,542 | ( $ 3,629 ) | $ 10,561 | ( $ 23 ) | $ 135 | ( $ 135 ) | $ 10,451 |

## XXVI. Capital Risk Management

The Company 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 Company has not changed.

The Company has no other restrictions on external capital regulations.

## XXVII. 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 | Fair Valie | | | |
|---|---|---|---|---|---|
| | | 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

Year2024

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

Year2023

| Financial Assets | Financial Assets at FVTOCI |
|---|---|
| Balance at January 1 | $ 3,405 |
| Recognized in other comprehensive income (included in unrealized gain of financial assets at FVTOCI) | 1,187 |
| Balance at 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 similar companies and the operations of the investee company.

(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） | 539,253 | 450,286 |
| Financial assets at FVTOCI | | |
| Equity instruments | 6,578 | 14,878 |
| Financial Liabilities | | |
| Financial liabilities measured by amortized cost (Note 2) | 50,568 | 46,563 |

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 Company's major financial instruments include financial assets at FVTPL, financial assets measured at FVTOCI, accounts receivable, accounts payable, and lease liabilities etc. The Company's corporate treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company 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 Company'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 Company'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 31.

Sensitivity analysis

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

The following table details the Company'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 | $ 19,755 | $ 15,438 | $ 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 increased during the current period, mainly due to the increase in deposit in Euros during the current period.

(2) Interest rate risk

The carrying amounts of the Company'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 | $ 330,851 | $ 273,497 |
| －Financial Liabilities | 6,745 | 10,451 |
| Cash flow interest rate risk | | |
| －Financial Assets | 111,686 | 110,632 |

Sensitivity analysis

The sensitivity analysis below was determined based on the company'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 company's net income before tax in 2024 and 2023 will increase/decrease by NT$558thousand and NT$ 553 thousand, mainly due to the company's exposure to demand deposit interest rate and short-term loan interest rate risk.

The company'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 company's equity price exposure is caused by the investment of equity securities. The management of the company manages risks by holding different risk portfolios. The equity investment is strategical, not held for trading. Additionally, the company 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 company 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 company 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 Company. As of the end of the reporting period, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company 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 Company uses publicly available financial information and its own trading records to rate its major customers. The Compan y's exposure and the credit ratings of its counterparties are continually monitored.

The Company's concentration of credit risk of 71% and 73% 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 company 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 Company 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 | $ 38,825 | $ - | $ - |
| Lease liabilities | 338 | 634 | 2,601 | 3,348 |
| | $ 12,081 | $ 39,459 | $ 2,601 | $ 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 |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing liabilities | $ 10,486 | $ 36,077 | $ - | $ - |
| Lease liabilities | 353 | 705 | 3,113 | 6,623 |
| | $ 10,839 | $ 36,782 | $ 3,113 | $ 6,623 |

(1) 融資額度

(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 |

The company's financing line is used jointly with its subsidiary, and the used amount is the borrowings of the subsidiary.

## XXVIII. Related Party Transaction

The terms of the transactions and the prices are negotiated separatel, details of the transactions are disclosed below:

(I) The Company’s related partie

| Name of Related Party | Relationship with the merged company |
|---|---|
| Tung Fa Liu Neng Co., Ltd. | Subsidiary |
| Lan Fa Textile Co., Ltd. | Other related parties |
| Anthony Poliang Yeh | Major Management |
| Chih-Ming Yeh | Other related parties (and 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) Lease Agreement

| Related Party Name/Categories | 2024 | 2023 |
|---|---|---|
| Obtain 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 Lablilities | 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.

(IV) 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.

(V) Remuneration of key management personne

Provision of endorsements and guarantees to others

| Related Party Name/Categories | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Tung Fa Liu Neng Co., Ltd. | | |
| Guarantee amount | $ 50,000 | $ 50,000 |
| Actual amount drawn down | 30,000 | 35,000 |

(VI) Remuneration of key management personnel

| | 2024 | 2023 |
|---|---|---|
| Short-term employee benefits | $ 19,260 | $ 11,946 |
| Post-employment benefits | 550 | 402 |
| | $ 19,810 | $ 12,348 |

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

(VII) Others

Since 2018, the company has provided the roof of its own factory as a site for Tongfa Green Energy Co., Ltd. to install solar power equipment.

## XXIX. Mortgaged Assets

The following assets of the company 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 |

## XXX. Significant or Indebted and Unrecognized Contractual Commitments

In addition to those stated in other notes, the company 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 |

## XXXI. Assets and Liabilities Denominated in Foreign Currencies

The company'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 | $ 6,034 | 32.79（USD：NTD） | $ 197,780 |
| EUR | 144 | 34.14（EUR：NTD） | 4,911 |
| Non-monetary items | | | |
| USD | 3,572 | 32.79（USD：NTD） | 117,118 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 7 | 32.79（USD：NTD） | 229 |

December 31, 2023

| | Foreign Currency (Thousand) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 5,034 | 30.71（USD：NTD） | $ 154,566 |
| EUR | 270 | 33.98（EUR：NTD） | 9,178 |
| Non-monetary items | | | |
| USD | 1,920 | 30.71（USD：NTD） | 58,962 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 6 | 30.71（USD：NTD） | 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） | $ 8,889 | 31.155（USD：TWD） | ( $ 4,527 ) |
| EUR | 34.74（EUR：TWD） | $ 115 | 33.70（EUR：TWD） | $ 175 |

## XXXII. 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.

(II) Information on reinvestment business: Table 3

(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 4

Evertex Fabrinology Limited

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% | $ 857670 | 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

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

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

January 1, 2024 to December 31, 2024

Table 3

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：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 31,2024

Table 4

| Name of Major Shareholder | Shares | |
|---|---|---|
| | Number of Shares | Number of Shares |
| 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.

# §STATEMENTS OF MAJOR ACCOUNTING ITEMS§


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Evertex Fabrinology Limited

Statement of cash and cash equivalent

December 31,2024

Statement 1

Unit: Unless otherwise noted, it is NT$ thousand

| Items | Description | Amount |
|---|---|---|
| Petty cash | | $ 213 |
| Checking accounts and Demand deposits | Current Deposit | 82,972 |
| | Foreign Currency Deposit | 28,714 |
| | Check Deposit | 24,938 |
| Cash equivalent | Fixed deposit | 150,811 |
| | | $ 287,648 |

Note: foreign currency deposits are translated at the spot exchange rate of USD: 32.79, EUR:34.14 on the balance sheet date.

Evertex Fabrinology Limited

Statement of Notes Receivable, Net

December 31,2024

Statement 2 Unit:NT$ thousand

| Items | Client Name | Amouns |
|---|---|---|
| Notes Receivable－related party | Client A | $ 2,016 |
| | Client B | 454 |
| | Others (Note) | 6 |
| | | 2,476 |
| Less: Allowance for doubtful accounts | | - |
| | | $ 2,476 |

Note: The amount from each individual client included under “others” does not exceed 5% of the total account balance.

Evertex Fabrinology Limited

Statement of Accounts Receivable, Net

December 31,2024

Statement 3 Unit:NT$ thousand

| Items | Client Name | Amouns |
|---|---|---|
| Accounts Receivable－related party | Client A | $ 26,312 |
| | Client C | 9,649 |
| | Client D | 6,380 |
| | Client E | 4,119 |
| | Others (Note) | 18,645 |
| | | 65,105 |
| Less: Allowance for doubtful accounts | | ( 671 ) |
| | | $ 64,434 |

Note: The amount from each individual client included under “others” does not exceed 5% of the total account balance.

Evertex Fabrinology Limited

Statement of inventories

December 31,2024

Statement 4 Unit:NT$ thousand

| Item | Amouns | Net Realizable Value | Guarantee situation |
|---|---|---|---|
| Raw materials | $ 88,174 | $ 89,400 | None |
| Work in process | 65,289 | 114,558 | 〃 |
| Finished goods | 4,772 | 4,929 | 〃 |
| Materials | 4,513 | 4,590 | 〃 |
| | $ 162,748 | $ 213,477 | |

Evertex Fabrinology Limited

Schedule of Changes in Investment Using the Equity Method

2024

Statement 5

Unit: Unless otherwise noted, it is NT$ thousand

| | Balance, January 1, 2024 | | Increase in Investment | | Decrease in Investment | | Profit or Loss from | Balance, December 31, 2024 | | | Market Price and Net Asset Value | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investee | Number of Shares | Amouns | Number of Shares | Investments (Note2) | Number of Shares | Amouns (Note1) | Investments (Note2) | Number of Shares | Shareholding Ratio(%) | Amouns | Unit Price | Amouns | Provision of Guarantee Invested Company or Pledge |
| Tung Fa Liu Neng Co., Ltd. | 4,600,000 | $ 52,481 | - | $ - | - | ( $ 3,801 ) | $ 4,048 | 4,600,000 | 100 | $ 52,728 | 11.46 | $ 52,728 | None |

Note1: Reduction of amount in this year is cash dividends paid

Note2: Recognized as Financial Statements Audited by Accountants.

Evertex Fabrinology Limited

Statement of changes in right-of-use assets

2024

Statement 6 Unit:NT$ thousand

| Item | Balance, January 1, 2024 | Increase During the Year | Decrease During the Year | Balance, December 31, 2024 | Note |
|---|---|---|---|---|---|
| Buildings、Transportation equipment and Other Equipment | $ 22,158 | $ 696 | ($ 529) | $ 22,325 | |

Evertex Fabrinology Limited

Statement of changes in accumulated depreciation of right-of-use assets

2024

Statement 7 Unit:NT$ thousand

| | Balance, January 1, 2024 | Increase During the Year | Decrease During the Year | Balance, December 31, 2024 | Note |
|---|---|---|---|---|---|
| Buildings、Transportation equipment and Other Equipment | $ 11,768 | $ 4,193 | ($ 279) | $ 15,682 | |

Evertex Fabrinology Limited

Statement of contract liabilities

December 31,2024

Statement 8 Unit:NT$ thousand

| Client Name | Description | Amouns |
|---|---|---|
| Client F | Commodity Sales | $ 3,766 |
| Client G | 〃 | 1,512 |
| Client H | 〃 | 1,035 |
| Client I | 〃 | 655 |
| Others(Note) | 〃 | 1,865 |
| | | $ 8,833 |

Note: The amount of contract liabilities due to each individual under "others" does not exceed 5% of total account balance

Evertex Fabrinology Limited

Statement of notes payable

December 31,2024

Statement 9 Unit:NT$ thousand

| Vendor Name | Description | Amouns |
|---|---|---|
| Non-related party | | |
| Vendor J | Payment | $ 2,029 |
| Vendor K | 〃 | 1,712 |
| Vendor L | 〃 | 1,546 |
| Vendor M | 〃 | 1,345 |
| Vendor N | 〃 | 1,315 |
| Vendor O | 〃 | 1,305 |
| Others(Note) | 〃 | 5,868 |
| | | $ 15,120 |

Note: The amount of accounts payable due to each individual vendor under "others" does not exceed 5% of the total account balance

Evertex Fabrinology Limited

Statement of Accounts payable

December 31,2024

Statement 10 Unit:NT$ thousand

| Vendor Name | Description | Amouns |
|---|---|---|
| Non-related party | | |
| Vendor N | Payment | $ 1,507 |
| Vendor P | 〃 | 1,981 |
| Vendor Q | 〃 | 1,839 |
| Vendor R | 〃 | 1,239 |
| Vendor S | 〃 | 1,204 |
| Others(Note) | 〃 | 11,518 |
| | | $ 19,288 |

Note: The amount of contract liabilities due to each individual under “others” does not exceed 5% of total account balance.

# Evertex Fabrinology Limited

## Statement of lease liabilities

December 31,2024

Statement 11 Unit:NT$ thousand

| | Description | Lease Term | Discount Rate | Balance, End of Year | Note |
|---|---|---|---|---|---|
| Buildings、Transportation equipment and Other Equipment | Office、official car and stacker | 1～5 years | 1.15%～2.33% | $ 6,745 | |
| Less: Listed as current part | | | | ( 3,463 ) | |
| Lease liabilities - current | | | | $ 3,282 | |

Evertex Fabrinology Limited

Statement of operating revenue

2024

Statement 12

Unit:NT$ thousand

| Item | Description | Weight (metric tons) | Amouns |
|---|---|---|---|
| Merchandise sales revenue | round weave | 960 | $ 546,130 |
| | warp knitting | 389 | 93,490 |
| | Others | | 1,687 |
| Less: Sales discount | | | ( 597 ) |
| | | | 640,710 |
| Service revenue | warp knitting | 928 | 72,744 |
| | round weave | 814 | 61,794 |
| | fabric woven | 36 | 2,862 |
| | Others | | 64 |
| Less: Sales discount | | | ( 886 ) |
| | | | 136,578 |
| | | | $ 777,288 |

Evertex Fabrinology Limited

Statement of Operating Costs

2024

Statement 13 Unit:NT$ thousand

| Item | Cost of Goods Sold | Service Cost | Amount |
|---|---|---|---|
| Raw material | | | |
| Balance, beginning of year | $ 30,308 | $ 40,879 | $ 71,187 |
| Add: raw materials purchased this year | 200,244 | 70,737 | 270,981 |
| Less: raw materials, end of year | ( 49,672 ) | ( 38,502 ) | ( 88,174 ) |
| Others | 6,341 | ( 37 ) | 6,304 |
| | 187,221 | 73,077 | 260,298 |
| Direct labor | 5,395 | 68,378 | 73,773 |
| Manufacturing Expense （include unallocated） | 187,522 | 63,413 | 250,935 |
| Manufacturing costs | 380,138 | 204,868 | 585,006 |
| Add: work in process, beginning of year | 58,478 | - | 58,478 |
| Less: Work in process, end of year | ( 65,289 ) | - | ( 65,289 ) |
| Less: others | ( 221 ) | - | ( 221 ) |
| | 373,106 | 204,868 | 577,974 |
| Add: Finished goods, beginning of year | 1,390 | 5,607 | 6,997 |
| Less: Finished goods, end of year | ( 1,916 ) | ( 2,856 ) | ( 4,772 ) |
| Less: revenue from sale of leftovers and scrap | ( 87 ) | ( 771 ) | ( 858 ) |
| Add: Loss (reverse gain) on inventory valuation | 410 | 231 | 641 |
| Add: others | 4,293 | ( 230 ) | 4,063 |
| Operating cost | $ 377,196 | $ 206,849 | $ 584,045 |

Evertex Fabrinology Limited

Statement of manufacturing expenses

2024

Statement 14 Unit:NT$ thousand

| Item | Amouns |
|---|---|
| Depreciation expenses | $ 43,090 |
| fuel cost | 48,857 |
| Salaries (include pension ) | 33,298 |
| Utilities | 31,734 |
| Processing expenses | 31,089 |
| Environmental protection expenses | 12,433 |
| Repair and maintenance fees | 11,616 |
| Other expenses (Note) | 38,818 |
| | $ 250,935 |

Note: The amount of each item under “others” does not exceed 5% of the total account balance.

Evertex Fabrinology Limited

Statement of operating expenses

2023

Statement 15

Unit: Unless otherwise noted, it is NT$ thousand

| Item | Selling Expenses | Administrative Expenses | Expected Credit impairment losses Reversed gain | Amount |
|---|---|---|---|---|
| Salaries (include pension) | $ 40,775 | $ 19,455 | $ - | $ 60,230 |
| Export charges | 7,486 | - | - | 7,486 |
| Delivery fee | 6,565 | - | - | 6,565 |
| Research and evelopment | 5,004 | - | - | 5,004 |
| Director's remuneration | - | 5,688 | - | 5,688 |
| Performing business fees | - | 2,458 | - | 2,458 |
| Expected credit impairment losses | - | - | 421 | 421 |
| Other expenses (Note) | 19,642 | 3,775 | - | 23,417 |
| | $ 79,472 | $ 31,376 | $ 421 | $111,269 |

Note: The amount of each item under “others” does not exceed 5% of the total account balance

Evertex Fabrinology Limited

Summary Current Period of Employee Benefits, Depreciation and Expenses Incurred

In 2024 and 2023

Statement 16

Unit:NT$ thousand

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Classified as Cost of Revenue | Classified as Operating Expenses | Amount | Classified as Cost of Revenue | Classified as Operating Expenses | Amount |
| Labor cost (Note) | | | | | | |
| Payroll expenses | $ 103,883 | $ 58,138 | $ 162,021 | $ 92,608 | $ 50,342 | $ 142,950 |
| Labor and health insurance expenses | 10,044 | 4,325 | 14,369 | 9,954 | 4,419 | 14,373 |
| Pension | 3,188 | 2,092 | 5,280 | 3,240 | 2,118 | 5,358 |
| Remuneration of directors | - | 5,688 | 5,688 | - | 3,655 | 3,655 |
| Other employees benefit expenses | 2,785 | 2,000 | 4,785 | 2,616 | 1,807 | 4,423 |
| | $ 119,900 | $ 72,243 | $ 192,143 | $ 108,418 | $ 62,341 | $ 170,759 |
| Depreciaton expenses | $ 43,090 | $ 3,146 | $ 46,236 | $ 42,842 | $ 3,194 | $ 46,036 |
| Amortization expenses | $ - | $ 77 | $ 77 | $ - | $ 95 | $ 95 |

Note:

1. As of December 31, 2024 and 2023, the Company had 255 and 263 employees, respectively. There were 9 non-employee directors for 2024 and 2023
2. (1) Average labor costs for the years ended December 31, 2024 and 2023 were NT$758 thousand and NT$658 thousand, respectively. (Total employee benefit expenses - Total director's remuneration/Number of employees - Number of directors who are not part-time employees)
   (2) Average salary and bonus for the years ended December 31, 2024 and 2023 were NT$659 thousand and NT$563 thousand, respectively. (Total salary expenses/Number of employees - Number of directors who are not part-time employees)
3. The average salary and bonus increased by +17% year over year. (Average employee salary expense of the current year - Average employee salary expense of the previous year/Average employee salary expense of the previous year).
4. The company has an audit committee composed of independent directors to replace the supervisor.
5. The Company's compensation policies

   Principles of the formulation of the Company's compensation policies

   (1) Employees' compensation: Employees' compensation mainly includes basic salary (including base salary and meal allowance), performance bonus, personal performance annual salary adjustment and year-end bonus, etc. Salaries are determined based on the market rate, job category, academic experience, professional knowledge and skills, and professional years of experience; salaries offered are better than the average market salary in the same industry.

   (2) Remuneration of managers is determined based on the Company's profitability and business strategy as well as the performance and contribution of the managers with reference to the market salary, and is reviewed by the compensation committee and submitted to the board of directors for approval.

(3) Remuneration of directors is based on the value of its participation and contribution to the company's operations, pay for the standards of peer industries. In addition, pay NT$10 thousand for transportation fee to every director monthly

(4) The independent directors of the company receive fixed remuneration monthly, and paid travel expenses based on actual attendance at the board meeting.

(5) Employees' bonuses: Bonuses are issued based on the Company's operating performance and the individual performance of the employees.

(6) Annual salary adjustments: The Company conducts salary adjustments once a year to motivate the long-term development of employees, taking into consideration the overall economic environment, operating profit, employee performance appraisal results, with reference to the average market salary and overall salary adjustment situation of other companies in the same industry.

<u>Employees' compensation and remuneration of directors and supervisors</u>

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors, after offsetting accumulated deficits, if any3.